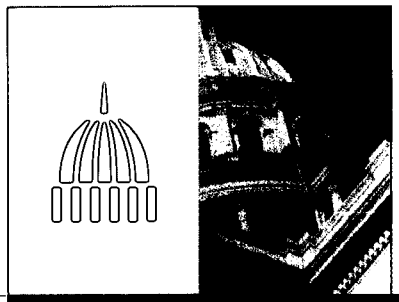
DOCUMENT RESUME

ED 436 296 PS 028 151

AUTHOR	Groginsky, Scott; Robison, Susan; Smith, Shelley
TITLE	Making Child Care Better: State Initiatives.
INSTITUTION	National Conference of State Legislatures, Denver, CO.
ISBN	ISBN-1-58024-037-2
PUB DATE	1999-10-00
NOTE	86p.
AVAILABLE FROM	National Conference of State Legislatures, 1560 Broadway, Suite 700, Denver, CO 80202 (Item No. 6148, $30). Tel: 303-830-2200.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC04 Plus Postage.
DESCRIPTORS	*Day Care; Early Childhood Education; Employed Parents; Professional Development; Program Descriptions; *Public Policy; Qualifications; *State Legislation; *State Programs; State Standards; Young Children
IDENTIFIERS	*Day Care Quality

ABSTRACT

In light of increasing evidence that good early childhood programs lead to school success, reduced delinquency and crime, and better job opportunities and productivity, state legislators are developing policies to improve these services. This report is designed to provide state lawmakers and their staff with research and state examples of policy options to advance child care quality. The report outlines selected elements of quality early childhood systems that go beyond minimal regulatory standards. The report also discusses research findings, provides state policies, including legislative initiatives, and results of some of these initiatives. Following the introduction, the four sections of the report highlight four quality issues that legislators can affect and that are above and beyond state regulation: (1) an effective work force--policies that promote training, education, career development, and better compensation for providers; (2) program quality and accreditation--providers who meet certain standards in addition to and above minimum regulatory requirements; (3) reimbursement rates--policies and levels of funding to child care providers who care for children who are subsidized by the state; and (4) comprehensive services--enriching the support services in child care programs, including health and education linkages and outreach to parents and providers. The report notes that, in the past few years, there have been innovative advancements in several key areas, including greater professional opportunities for providers, a focus on voluntary accreditation, fiscal incentives in the form of variable reimbursement rates to high-quality programs, and establishment of early childhood initiatives that are enriched with comprehensive health and social services. (Contains 30 references.) (KB)



NATIONAL CONFERENCE
of STATE LEGISLATURES

The Forum for America's Ideas

Making Child Care Better

State Initiatives

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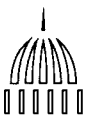
By
Scott Groginsky
Susan Robison
Shelley Smith



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

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October 1999

The National Conference of State Legislatures serves the legislators and staffs of the nation's 50 states, its commonwealths, and territories. NCSL is a bipartisan organization with three objectives:

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The Conference operates from offices in Denver, Colorado, and Washington, D.C.

Cover photos: Harry Cutting Photography.

Printed on recycled paper

ISBN 1-58024-037-2

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Preface and Acknowledgments

Making Child Care Better: State Initiatives is a product of the child care project of the National Conference of State Legislatures. The project's primary mission is to provide state legislators with information and technical assistance about early childhood care and education issues.

We are grateful for the financial support for this publication, which was provided by The Pew Charitable Trusts (Linda Rich, program officer) and the A.L. Mailman Family Foundation (Luba Lynch, executive director).

The authors wish to thank the members of the Blue Ribbon Advisory Panel on Child Care, who have worked diligently to develop this report, including reviewing drafts and advising on focus. The reviewers are not responsible for the final product, but their perspectives improved the document both in content and structure. Members of the panel include Representative Sheryl Allen of Utah; former Representative Mary Brennan of Florida; Richard M. Clifford of the Frank Porter Graham Center; Harriet Dichter of the Philadelphia Citizens for Children and Youth; Senator Virginia Foxx of North Carolina; Representative John Gard of Wisconsin; Mark Greenberg of the Center for Law and Social Policy; Sarah Greene of the National Head Start Association; Jack Hailey of the California Senate Office of Research; Anne Mitchell of Early Childhood Policy Research; Michele Piel of Enterprise Child Care Inc.; Doug Price of Educare Colorado; Gail Richardson of the Child Care Action Campaign; Charleta Tavares of the Columbus, Ohio, City Council; and Representative Mary Jane Wallner of New Hampshire.

The authors also thank those who assisted in reviewing this document. Specific thanks go to Gina Adams of the Urban Institute, Sheri Azer and Gwen Morgan of the Wheelock College Center for Career Development in Early Care and Education, Helen Blank of the Children's Defense Fund, Mary Culkin of the University of Colorado Health Sciences Center, Ellen Galinsky of the Families and Work Institute, Louise Stoney of Stoney Associates, Barbara Willer and Barbara Warman of the National Association for the Education of Young Children, and Marcy Whitebook of the Center for the Child Care Workforce.

This document was written by Scott Groginsky (chapters 1-3), Susan Robison (chapter 5) and Shelley Smith (chapter 4). Several NCSL Children and Families Program staff contributed to this publication. Julie Poppe was instrumental in providing proficient research, analysis and editing; Barbara Houlik assisted with administrative support; Jack Tweedie provided guidance; and Julie Preston assisted with research. NCSL Human Ser-

vices Committee Director Sheri Steisel assisted with editing and guidance. NCSL book editor Leann Stelzer conducted overall editing. Cover design was done by Bruce Holdeman. Layout was done by NCSL assistant editor Scott Liddell. Sincere appreciation goes to the many individuals in state offices and national organizations who helped improve this product by reviewing certain sections.

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Abbreviations and Acronyms

CACFP	Children and Adult Care Food Program
CDA	Child Development Associate
CCDBG	Child Care and Development Block Grant
CCDF	Child Care and Development Fund
CCW	Center for the Child Care Workforce
FPL	Federal poverty level
FY	Fiscal year
HHS	U.S. Department of Health and Human Services
NAEYC	National Association for the Education of Young Children
NAFCC	National Association of Family Child Care
NICHD	National Institute of Child Health and Human Development
NSACA	National School-Age Care Alliance
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
R&R	Resource and referral
SSBG	Social Services Block Grant
TANF	Temporary Assistance to Needy Families
TEACH	Teacher Education And Compensation Helps
WIC	Women, Infants and Children program

Executive Summary

With increasing evidence that good early childhood programs lead to school success, reduced delinquency and crime, and better job opportunities and productivity, state legislators are making policies to improve these important services. Enacted laws have expanded child care training, advanced quality preschool programs, and linked early childhood services to comprehensive health and social services. Legislative interest in this issue has been furthered in part by increased child care demand from new welfare laws and by research that brain development is significantly affected by experiences in the first three years of life.

Approximately 13 million American children are in out-of-home child care programs, and a child's early child care and education experiences have a dramatic effect on his or her short- and long-term development. Yet, numerous studies have found that child care services generally are mediocre to poor for a range of settings. State legislators and other policymakers have addressed this concern by focusing on improving child care quality in a variety of ways. A base measurement of quality levels is state regulation, which includes licensing standards for child-to-staff ratios, professional qualifications and physical space, among others. These standards represent a minimum level of health and safety for a child. In recent years, state decision makers have gone beyond regulations to make child care experiences better for young children. Four key ways that legislatures are moving in this direction include:

- Ensuring an effective work force through training, education and career development.
- Establishing program quality standards, such as accreditation.
- Improving reimbursement policies to advance good quality and access.
- Developing comprehensive services for young children.

Child care includes programs that are provided in a variety of settings. These include:

- Child care for infants, toddlers, preschool-age, and school-age children in centers, in family child care homes, and by relatives.
- Head Start early education programs for low-income 3-, 4- and 5-year-olds.
- Prekindergarten programs, which can be school-based or community-based.
- Out-of-school time activities, including tutoring or recreation.

Many studies have associated good quality child care programs with positive outcomes for children, including better language, cognitive and social skills, fewer behavioral problems

and stronger mother-child relationships. Long-term research studies on preschool and early intervention have found that children in good programs have better job achievement and academic success, as well as fewer arrests. These studies also have found that such comprehensive early childhood services result in government savings through increased taxes, decreased welfare spending, less social services, and lower criminal justice costs.

States are drawing on a variety of sources to pay for better quality child care programs because these programs typically cost more. Federal sources include the Child Care and Development Block Grant (CCDBG), the Temporary Assistance for Needy Families (TANF) Block Grant, and the Social Services Block Grant (SSBG). States also are investing in good quality initiatives with state funds and are working to involve employers in financing strategies.

A Good Early Childhood Work Force

State policymakers can bolster child care quality by expanding training and education opportunities for child care teachers and providers, which research has identified as critical to improving child outcomes in many areas. Training and education for providers that focus on child development issues have been shown to be particularly effective in supporting more learning environments and better teacher-child interactions. During the past several years, many legislatures have used state and federal funds to support training and education for child care providers. They also have drawn on other innovative sources, such as loan funds, a tax checkoff, special license plates, child care license fees, and business money. States also target training and education services for professionals who specialize in certain areas, such as caring for infants and toddlers or children with special needs, and for different positions, such as directors or administrators.

State lawmakers also are concerned about recruiting and retaining providers, including education incentives and linkages between training and wages. Among legislative strategies have been to forgive student loans or to appropriate funds for scholarships for someone who chooses to earn educational credit in child development. Although a variety of studies has identified wages as a key element of a good quality child care program, low pay and a general lack of benefits for providers and teachers have contributed to a high turnover rate in the field. To address this problem, some state policies have concentrated on rewarding higher salaries to those early childhood professionals who complete more training or education. Several states have similarly focused on improving health benefits for these early childhood workers.

Improving provider compensation is one aspect of a coordinated early childhood career development system. An effective system also includes career ladders and paths, more accessible college admission policies, mentoring and apprenticeships, and knowledge about and competency in core issues. Recognizing the connection between a more educated and professional work force and good child outcomes, policymakers in almost all states have begun active training and career development initiatives. Most states work closely with resource and referral services to advance these initiatives.

Program Quality Standards Beyond Licensing

In addition to promoting a more educated staff and a better career system, state policymakers can improve early childhood quality by establishing voluntary standards that exceed state licensing regulations. These voluntary standards range from national accreditation standards to state-set standards and performance standards for prekindergarten programs. Accreditation factors generally include professional qualifications and development, health and safety standards, administration, curriculum, staff-child interactions, staff-parent interactions, environment and evaluation. Several different organizations accredit part- and full-day early childhood programs. Numerous studies have correlated accreditation with better quality, particularly in regard to lower child-to-staff ratios and teacher sensitivity, and especially when accredited programs have better paid teachers.

During the past several years, state legislatures have developed policies that provide for accreditation mostly through funding and other incentives. Specifically, states have authorized higher payment levels for accredited care, provided grants that support technical assistance to help workers become accredited, and officially recognized programs that have achieved accreditation. Varying somewhat from national accreditation, some states have established their own set of voluntary child care and prekindergarten standards that promote good quality services. Through official recognition of this special status, these state standards can serve as an incentive for child care programs to voluntarily pursue better quality care. About a third of the states require their preschool programs to include specific high-quality, state-set standards, such as lower child-to-staff ratios, staff qualifications, curriculum and practice, and parental involvement.

Reimbursement Policies

To encourage child care centers and homes to establish good quality standards, legislatures have enacted laws that create higher reimbursement rates for such programs that serve children who receive subsidies. A growing number of lawmakers have authorized higher payments for providers who meet national accreditation standards, stricter licensing standards or other quality of care standards. For these differential reimbursement rates to have a meaningful effect, it is critical that rates come close to representing the actual costs of care. Increasingly, state policymakers are recognizing that child care providers may be inadequately reimbursed in general, which can affect the supply and quality of care provided to children from low-income families. In 1998, more than half the states increased reimbursement rates for some or all providers of state-subsidized care. In addition, some states have required that market surveys that determine rates be updated annually or every other year.

Some states have established tiered reimbursement systems with two or more levels of quality categories. In some cases, reimbursement categories are based on differently rated licenses, depending on certain quality indicators such as teacher education, training or experience, parent interactions and planning. Other states pay child care providers a higher reimbursement rate if their center or home is accredited by a national accrediting organization. Some states combine accreditation and licensing standards to determine differential rate payments. University researchers have embarked on a study to measure the effects of variable reimbursement systems as well as ranking systems that are not tied to remuneration. To test this promising approach in their own states, policymakers may want to consider closely tracking the outcomes of tiered reimbursement systems.

Improving Quality Through Comprehensive Services

State policymakers are increasingly looking at ways to improve child care and early education programs by including health and other social services that can help families address multiple needs and concerns. Such comprehensive services can improve overall early childhood experiences by addressing the range of important issues that affect young children, such as lack of adequate nutrition and health care, family conflict, divorce, child abuse and neglect, teen pregnancy, domestic violence, and community violence and crime. Key to the success of early intervention is a breadth and quality of services and programs that combine good child care with services for parents.

Increasingly, legislatures are restructuring the multitude of categorical programs and funding streams that often result in independent, uncoordinated efforts. Lawmakers are considering more effective use of public resources by establishing early childhood partnerships with parents, businesses and community groups. One such approach is to coordinate child care with prekindergarten programs and Head Start. Head Start and other state prekindergarten programs that have demonstrated good long-term outcomes for children and families usually include comprehensive services such as health care, parental involvement and access to other key social services such as parent education, counseling and job linkages. In addition, state policymakers are building on the integral role that schools have in fomenting coordinated, comprehensive approaches to child care and early education, including services for infants and toddlers.

Some states are improving the quality of child care programs by including or coordinating them with family support services. This approach has grown from the concerns, interests and needs of families. Typically, they offer some combination of parent education classes, support groups, job training, literacy tutoring, various health screenings, information and referrals, family activities, advocacy, crisis intervention, family counseling and child care. Home visitors, school-based centers, or other professionals in neighborhood facilities may provide services. Research has shown that family support initiatives provide many benefits, and state legislatures have included child care and early education programs in the family support context. A primary example of this is coordinating health services in child care settings, including health insurance, mental health services, nutrition services, and education about preventative health care.

Another legislative trend is forging new state-local partnerships that share early childhood decision making with communities, providing them with greater flexibility in program design and funding. Several states have demonstrated great success with this devolved policy. Legislators and other policymakers in some states are closely examining specific children and family outcomes when developing early childhood policies, serving as a framework for planning, implementing and tracking services.

This publication highlights critical ways that state legislatures can improve child care and early education services above and beyond regulatory requirements. The last several years have seen innovative advancements in several key areas. These include greater professional opportunities for providers, a focus on voluntary accreditation and other program standards that promote good quality services, fiscal incentives in the form of variable reimbursement rates to high-quality programs, and establishment of early childhood initiatives that are enriched with comprehensive health and social services. State legislative initiatives that promote good quality child care and early education have a significant

effect on future generations, with implications for education, criminal justice and the economy.

1. INTRODUCTION

A growing body of research indicates that good early childhood programs can lead to school success, reduced delinquency and crime, and better job opportunities and productivity in both the short- and long-term. Recent research revealing that infants' brains develop earlier and more rapidly than previously understood also has important implications for quality early care and education. Because more than three of five women in the work place have children younger than age 6 and new laws require welfare recipients to work, state policymakers are developing policies to meet a growing child care demand, while ensuring quality services.[1] If adequate resources are not available, these two needs may represent a policy tradeoff.

Furthered by the recently enacted welfare law, state legislators and other policymakers now are addressing child care policies, including funding, standards and coordination. With about 13 million children in non-parental care, policymakers are recognizing the multiple positive outcomes for young children and their families that are associated with investing in *quality* child care and early education services. Across the country, state legislatures have taken the lead in examining and establishing specific ways to improve their state's early childhood systems. This publication more closely examines some of these strategies.

This publication is designed to provide state lawmakers and their staff with research and state examples of policy options to advance child care quality. It outlines selected elements of quality early childhood systems that go beyond minimal regulatory standards. It discusses research findings, provides state policies–including legislative initiatives–and results of some of these initiatives.

Policies that Affect Quality

Divided into sections, this report highlights four quality issues that legislators can affect and that are above and beyond state regulation. These four policy areas were chosen because they help improve quality of care and, in some cases, improve families' access to care.

- *An Effective Work Force*–State policies that promote training, education, career development and better compensation for providers.

- *Program Quality and Accreditation*–Providers who meet certain standards in addition to and above minimum regulatory requirements.

What Is Child Care?

As used in this publication, the term "child care" means all types of education and care for children from birth through age 5 and programs for school-age children before and after school and during vacations. It refers to a wide range of programs located in different types of facilities, under a variety of auspices, and with different hours of operation, from part-day to full-day.

Child care no longer is considered separate from learning. Instead, care and education of young children are simultaneous–children learn in all settings. High-quality programs address two policy objectives. They provide safe environments that allow parents to work without worrying about their children. At the same time, these programs can provide stimulating and nurturing settings that foster healthy child development, prepare children to succeed in school and give them the tools they need to develop into productive adults. Examples of the various types of child care are listed below.

- Care for infants, toddlers, preschool and school-age children provided in child care centers, in family child care homes and by relatives.
- Center child care is provided under public and private sponsorship by for-profit and nonprofit organizations.
- Family child care providers generally are sole proprietors of an in-home business who provide care for children from infancy through age 12.
- Relative care is child care by relatives other than the child's parent.
- Head Start programs offer a comprehensive array of social services to low-income children and their families, in addition to providing early childhood education services. Some Head Start programs operate for only part of the day and some operate less than five days per week.
- Prekindergarten programs (also known as preschool programs) typically target children from low-income families and provide early childhood education services during the school year. Most of these programs are part-day, but some are full-day. Local school districts, Head Start or other community-based early childhood programs operate these programs.
- Out-of-school time activities, including tutoring and recreation, that are provided for children age 5 and older in public elementary or middle schools or other facilities such as YMCAs.

Source: Mary Culkin, Scott Groginsky, and Steve Christian, *Building Blocks: A Legislator's Guide to Child Care Policy* (Denver: National Conference of State Legislatures, December 1997), 4.

- *Reimbursement Rates*–Policies and levels of funding to child care providers who care for children who are subsidized by the state.

- *Comprehensive Services*–Enriching the support services in child care programs, including health and education linkages and outreach to parents and providers.

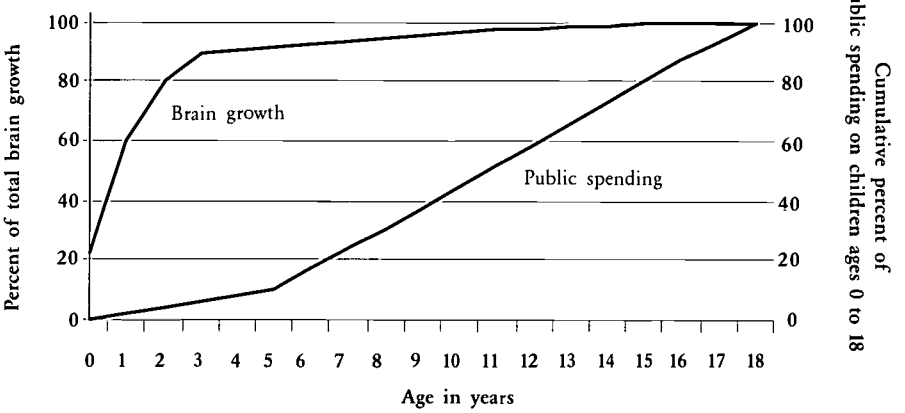
Many other early childhood policies have an effect on quality, but generally are not discussed in this publication because of space limitations. These additional policies include details about licensing and regulatory requirements, child care facilities, business involvement, school-age care, state and federal funding levels, parent copayments, eligibility levels, and curriculum and planning. (For more information about these topics, see the references section on page 69.)

Brain Development and Child Care

State lawmakers are connecting recent research that shows the early and rapid development of infants' brains with the need for good quality programs for young children. About a dozen state legislatures passed early childhood initiatives in 1997 and 1998 that directly referenced the brain development research or were approved after legislators heard about the research.

As figure 1 indicates, the United States spends far less public dollars for children in their first few years of life than for people in high school and higher education, despite research that shows the importance of the early years to long-term outcomes.

Figure 1. Brain Growth Versus Public Expenditures on Children Ages 0 to 18



Sources: Brain development: Figure 2.4 in D. Purves, *Body and Brain*, Harvard University Press, 1988, adapted from D.W. Thompson, *On Growth and Form*, Cambridge University Press, 1917. Public spending on children: Derived from Table 1 in R. Haveman and B. Wolfe, "The Determinants of Children's Attainments: A Review of Methods and Findings," *Journal of Economic Literature 33*, December 1995, pp. 1829-1878.

Quality Research

Long-Term Effects on Children and Families

Many studies have associated good quality child care programs with positive outcomes for children. Several recent multi-state studies specifically found that quality child care is associated with better language and cognitive skills.[2] A National Institute of Child Health and Human Development (NICHD) study that found that children in centers that met more quality standards had better language comprehension and school readiness and had fewer behavioral problems. The study, which tracked children through their first eight years, also found that higher quality care was related to better mother-child relationships.[3]

A 1999 update of the *Cost, Quality and Child Outcomes in Child Care Centers* study indicated that the quality of care matters. It confirmed earlier findings that children in good quality child care centers are more likely to have better academic and social skills by the time they enter second

About the Brain Development Findings

Nurturing and responsive relationships during the first years of life are crucial to the brain's development. As a child interacts with the world, the number of neural connections within his or her brain soars. A child who lacks appropriate relationships and stimulation during this period will be less able to learn, cope with stress and emotions, and form relationships. A large body of research has correlated early childhood experiences with outcomes later in life.

- Throughout the entire process of development—beginning before birth—the brain is exquisitely sensitive to environmental conditions, including nourishment, care, surroundings and stimulation. These conditions influence the intricate circuitry of the human brain.
- During first three years of life, the most connections—or synapses—are produced. The number of synapses increases rapidly until about age 3, and then holds steady throughout the first decade of life.
- As babies gain more experience—either positive or negative—the brain's wiring becomes more defined. Nurturing, responsive caregiving plays a vital role in healthy development, and directly affects the formation of neural pathways.
- For most of the first decade of life, children's brains are twice as active as adult brains. Brain cell connections that are formed in the first year of life generally will remain in place for the rest of a child's life.
- Early exposure to adverse conditions (in utero and in the postnatal environment) has more harmful and long-lasting effects on young children than was previously suspected.

Source: Rima Shore, *Rethinking the Brain: New Insights Into Early Development*, Executive Summary (New York: Families and Work Institute, 1997), 7-32.

grade. Specifically, this longitudinal study linked good child care classroom quality with better language and math skills. At the same time, it found that children who attended centers where there were good child-teacher relationships had better social skills and fewer behavioral problems.[4]

Other research has connected good early childhood education with positive long-term child outcomes. The High/Scope Perry Preschool Project found that good early education programs for low-income children lead to academic success, better job achievement and half as many arrests later in life.[5] Studies have established overwhelming evidence that early education programs "can produce sizable improvements in school success." Four random studies on children in early childhood education programs that included a control group found long-term, statistically significant positive effects on standardized achievement tests that measure reading and math ability and knowledge.[6] A 1998 RAND report summarized several research projects that found that early intervention programs –such as comprehensive preschool programs–generate savings to the government through increased tax revenues; decreased welfare outlays; reduced spending on health, education and social services; and lower criminal justice costs.[7]

Some studies have documented the negative effects of poor quality programs. The NICHD study, for example, revealed that lower quality care predicted less harmonious mother-child relationships, more problem behaviors, lower cognitive and language abilities, and lower school readiness scores. The study found that child care itself neither adversely affects nor promotes infants' attachments to their mothers, but that poor quality care combined with lower mother sensitivity could lead to insecure attachment to the mother.[8] The outcome differences that result from good and bad programs underscore the importance of state legislative policies in this area.

Federal Funds for Quality

Under the federal Child Care Development Block Grant (CCDBG), states must spend no less than 4 percent of their total funds on activities that promote good quality child care. Many states spend more on improving quality, especially for licensing and inspections. The U.S. Department of Health and Human Services' (HHS) 1998 report of state plans describes the many activities that states are conducting under this set-aside:

- Comprehensive consumer education
- Resource and referral programs
- Grants or loans to providers to assist them in meeting state and local standards
- Monitoring compliance with licensing and regulatory requirements
- Training and technical assistance
- Compensation for child care providers
- Other activities that increase parental choice and improve quality and availability

Source: U.S. Department of Health and Human Services, Child Care Bureau, *Child Care and Development Block Grant: Report of State Plans*, March 1998, 64-81.

Good Care Is Lacking

According to several studies, the vast majority of child care centers provide mediocre to poor care and most family child care home provide only custodial or poor care.[9] A recent NICHD study rated more than half of all child care centers in the United States as fair, and only 10 percent as excellent.[10] One multi-state study, the *Cost, Quality and Child Outcomes in Child Care Centers* study, reported that 40 percent of infant and toddler center rooms observed endangered children's health and safety and only one in 12 of these rooms were found to provide developmentally appropriate care.[11] A 1999 Consumer Product Safety Commission study reported that two-thirds of licensed child care centers studied had at least one condition that could be hazardous to children's safety.[12] Another multi-state study revealed that about 75 percent of low-income children have unsafe and unresponsive family child care and relative care.[13] A 1998 Children's Defense Fund survey found that nine of 10 children from low-income working families who need child care lack the necessary child care assistance because of inadequate federal and state

funding.[14] A *Los Angeles Times* poll revealed that more than a third of mothers said that it is extremely difficult to find high-quality care that is affordable.[15]

Federal Child Care Funds for Quality

During the past two years, the federal government has provided more funding opportunities for states to improve the quality of child care. The federal Child Care and Development Block Grant (CCDBG) requires states to spend a minimum of 4 percent of their allocations on quality initiatives. States can choose to spend more than this minimum on quality activities, and some states are doing so. Congress added $173 million for quality purposes in FY 1999. During the past two years, Congress has added $50 million for states to use to improve the quality of care for infants and toddlers under age 2.

Resources for Better Quality Care for Children from Low-Income Families

In addition to paying for child care services, state policymakers are using new federal and state child care funds to improve child care services for children from low-income families. Because more than one in five children under age 6 live in poverty (22.7 percent), legislators are exploring various funding sources to improve care for this vulnerable population.[16] Federal child care assistance regulations released in July 1998 are intended to assist states to use public funds to shape quality policies.

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) created child care and welfare block grants to the states, providing states with increased flexibility to serve young children. These choices include deciding what low-income populations to serve, whether to exempt families with infants from work requirements and what sources of federal funds to use for child care. PRWORA restricts states from mandating work for a welfare recipient if he of she can prove that child care is inaccessible.

States also can use the welfare block grant–the Temporary Assistance for Needy Families (TANF)–to fund child care services. TANF allows states to transfer up to 30 percent of their federal welfare allocation to child care. States also can transfer up to 10 percent of this 30 percent to the Social Services Block Grant (SSBG), which states use to improve children's services, including child care. States also can exceed the 30 percent limit if they use the funds, but do not transfer them, for child care. With a 42 percent drop in caseloads of families on welfare since 1994, at least half the states have used this approach to increase child care services to low-income families.[17] In FY 1998, 24 states transferred about $652 million of TANF funds (or 4 percent) to the child care block grant. In addition, 36 states transferred more than $1 billion of their TANF funds to the SSBG.[18] This option also can help states make state funds available for improving the quality of child care services.

Cost and Quality

Child care costs currently average about $4,000 to $6,000 per year for a 4-year-old, and are even higher in certain areas of the country, according to a 1999 Children's Defense Fund study. For better quality child care programs, research shows that child care costs more. Researchers at the University of Colorado Health Sciences Center and the University of

Colorado at Denver estimated that good quality care costs $2,000 to $3,000 more per year for preschoolers and $4,000 to $5,000 more per year for infants and toddlers. Increased costs were associated mostly with better pay for better-trained staff.[19]

Quality Child Care: A Key Issue for Legislators

A recent survey conducted by the U.S. Department of Health and Human Services (HHS) revealed that child care is the top concern of welfare recipients and working families, and a recent National League of Cities found that child care was the top concern of city leaders.[20] Similarly, a survey of police chiefs found that nearly all (92 percent) of those surveyed agreed that the country's crime would be sharply reduced if government would invest more in quality early childhood programs. A 1997 *Parents Magazine* survey found that most parents worry about child care and have had a bad experience with a child care provider; one-fourth said that their child care is worse than they would like it to be.[21]

State policymakers are increasingly recognizing that the quality of child care and early education makes a difference. As states increase their responsibilities for early childhood policies, many legislatures are expanding the scope of their laws to reflect the challenge of assuring quality child care services, while meeting higher demand. In doing so, legislators are examining a range of policy ideas. This book addresses some of these policies.

2. Work Force

Policymakers can bolster child care quality by expanding good training and education opportunities for child care teachers and providers. Research has identified stronger training, education and experience of early childhood teachers and providers as critical to improving teacher-child interactions, which supports children's learning, better cognitive and social development, greater language proficiency and fewer behavior problems.[1] Yet, a recent survey reports that many child care providers have little or no education or training. This is especially true for children in family child care homes and in relative care, according to a recent U.S. Department of Education survey. By contrast, the survey found that nearly all children in child care centers or Head Start programs have trained providers.[2]

In addition, the demand for early childhood teachers is increasing for various reasons. The need for schoolteachers is on the rise, especially with an aging work force of teachers, reduced class size and expansion of preschool services. Head Start has also grown, leading to a greater need for teachers, including those who are trained in infant and toddler development. School-age programs are dramatically increasing, with more state and federal funds and child care centers reporting that they cannot fill openings for staff. In this context, state lawmakers are determining at how best to recruit, train and keep an effective work force.[3]

Central to the issue of improving the early childhood work force are issues related to retaining providers. A recent study found that teachers who remained on the job earned significantly higher wages. Because of low pay and poor benefits, the field experiences turnover rates that are much higher the national average. This reality has a detrimental effect on the strength of the profession because workers leave the field rather than continue to develop skills to further their careers. High turnover also can hinder children's development because it can interrupt the continuity of care. States are increasingly recognizing this reality and are exploring linkages between training and wages, such as scholarships.

This chapter focuses on state initiatives that can have positive effects on children's outcomes by improving the quality of the child care work force. These policies include training, education and compensation for child care providers, as well as other career development efforts that can help providers and teachers make careers in child care and sustain the profession. States' uses of resource and referral services to deliver training, education and career development services for early childhood providers also are discussed. Resource and referral services help link providers to training and education, as

well as assisting them with regulatory requirements. (More details about resource and referral activities are provided on page 22.)

Research on the Importance of Training and Education

Studies have found that specialized training and education on early childhood issues are associated with higher quality, including more sensitive teacher-child interactions. Several studies reveal that child care providers who have participated in early childhood training and have attended courses in higher education settings are more nurturing, provide their students with more learning experiences and interactions, and are better prepared to respond to children in a developmentally appropriate manner. Studies also have identified a high level of general education as important to good caregiving and child outcomes.

Effects of Three Types of Training and Education

- **General Education**—This term typically refers to the level of education of a child care worker, such as a high school degree or a college degree. Coursework at the high school, vocational, college or graduate level need not be specifically related to early childhood education or similar fields.
- **Early Childhood-Related Training and Education**—This term generally refers to the content of the education, which is specialized for working with children. This training consists of any early childhood-related preparation for work in a child care center at the secondary, vocational, college or graduate level, including the Child Development Associate (CDA) or similar credentialing programs in child-related fields.
- **Ongoing Training**—This term includes accredited college courses and noncredit courses offered to workers already employed in the field. It includes any early childhood education-related instruction received while working in a child care or preschool program.[6]

Specialized Early Childhood Training

- A 1996 Wheelock College study described the research that shows a clear link between the amount of specialized training in the early childhood field and the quality of care that person provides to children.[4]
- The 1995 study, *Cost, Quality and Child Outcomes in Child Care Centers* (CQO), noted that specialized training is one of the most important characteristics of a center's quality.[5]
- The 1994 *Study of Children in Family Child Care and Relative Care* found that the quality of care is higher when providers are trained.
- This study also found that family child care providers who seek opportunities to learn more about child care and education provide higher quality, more attentive care that is associated with better development in children.[7]
- The 1996 NICHD study found that only 18 percent of infant child care providers had specialized training in child development. This study noted that, particularly for infants in family or relative care, specialized training in child development was associated with positive caregiving.[8]
- The 1999 NICHD study that linked high-quality care with good child outcomes isolated training and education, along with child-to-staff ratios, as key components of quality standards.[9]
- The 1989 National Child Care Staffing Study (NCCSS) found that early childhood teachers who receive 15 hours or more of ongoing training per year were more sensitive, less harsh and less detached than teachers who have less than 15 hours of annual in-service training.[10]

General Education and Quality

In addition to specialized training, the CQO study found that higher quality centers had more staff with at least a bachelor's degree, but that only 36 percent of teachers had a bachelor's degree or higher.[11] The NCCSS identified general education as the strongest predictor of appropriate teacher behavior and the 1996 NICHD study correlated more formal education of infant providers with more frequent positive caregiving behaviors.[12]

Florida's Increased Provider Education Requirements Lead to Good Child Outcomes

In 1991, the Florida Legislature significantly increased the educational qualifications for early childhood providers, along with better child-to-staff ratio requirements for infants and toddlers. Two recent follow-up studies conducted by the Families and Work Institute have shown how these changes benefited children in the long run. The 1991 law required that for every 20 children, a child care facility have at least one staff person with a CDA credential, or an equivalent in experience or formal education.

The studies examined about 150 centers and more than 850 children in each study. The 1994 study found that participating children had better intellectual and emotional development and more involvement in learning activities, and that participating teachers were more sensitive and responsive. The 1996 study reported that these outcomes held steady or slightly improved. The studies attributed the results to the policy changes. Findings from both studies revealed that teachers with a CDA or CDA equivalent or teachers with advanced education had higher quality classrooms than did teachers with less than a CDA. The 1996 study found those with an advanced associate's degree had the highest scores in children's development and classroom quality.[13]

Training, Education and Compensation Initiatives

All states have regulatory requirements for child care training and education; these requirements vary widely. They represent a baseline of standards to protect children's health and safety. This section focuses on ways state legislators can expand training and education opportunities for child care professionals beyond the regulatory or licensing requirements. (Other publications have discussed regulations in greater detail. See the references section on page 69.) This section also includes state strategies to provide child care professionals with better wages and benefits.

Training and education strategies covered in this section include public funding, other innovative financing mechanisms (including partnerships with businesses) and training for specific populations. In the realm of public funding, states are using both federal and state money to strengthen teachers' skills.

Funding for Specialized Training and Higher Education

A 1993 report noted that funding for training is limited, sporadic and uncoordinated. It indicated that public funds, available mostly for entry-level training, were lacking in long-term direction.[14] Because of low wages, many early childhood professionals lack the resources to take ongoing classes to upgrade their skills.

In addition, many states have regulations that permit someone to teach a group of children without any prior specialized training or level of higher education, although some states require experience. In those states with pre-service requirements for teachers, individuals may have specialized training prior to employment, or more likely have significant amounts of specialized training while employed as an aide or assistant (an apprenticeship model).

Recognizing the need for qualified teachers, states have funded training expansions during the past several years. Few states have increased their pre-service requirements as Florida did, but most have increased the hours of annual ongoing training requirements. To help aides and assistants become teachers, states can incorporate and fund college

credits as part of ongoing training that would count toward meeting teacher pre-service requirements. Few states, however, have funded or required ongoing training that includes credit and assists staff to move into teacher positions.[15]

As increasing amounts of federal funds have become available to states to improve child care quality through the federal CCDBG in the past few years, states have expanded training and education opportunities for child care professionals (see box on this page). In addition, new federal Head Start regulations mandate that half of all of teachers have associates of science (A.S.) degrees by 2003 and that federal funds are made available to Head Start programs to train staff to meet this mandate. At the same time, policymakers in many states have seen the value of maintaining and increasing support for state funding for training and education; legislatures have been among the leaders in this effort. The examples discussed below focus on state legislative efforts to spend state money for child care training and education.

Use of Federal Set-Aside for Child Care Training

Every lead state agency reports that it will use some of its 4 percent set-aside under the Child Care and Development Block Grant for provider training, education and technical assistance in FY 1998-99. The state plans identify funding priorities and generally demonstrate states' intent to establish training and technical assistance systems that foster collaborative relationships at the local level to minimize duplication of services.[16]

A 1998 report by the National Child Care Information Center found that 19 states used the 4 percent set-aside to create comprehensive provider training systems. These systems fund a range of technical assistance and training activities, including the creation and implementation of career development and credentialing plans, scholarships for income eligible providers, linking education with compensation and development of competencies for trainers. Other publications that describe state uses of this federal set-aside for training and education include *Child Care and Development Block Grant: Report of State Plans* by the National Child Care Information Center, and *State Child Care and Early Education Development: Highlights and Updates for 1998* by the Children's Defense Fund.

- As part of its 1997 School Readiness Act, the *Connecticut* legislature appropriated $2 million in FY 1998 and $2 million in FY 1999 for grants and loans to provide training and resource and referral. Local school readiness councils also can use funding from another $2 million appropriated under this act to enhance provider education, training and accreditation. The state combined private sector money with these funds to operate the Early Childhood Training and Resource Academy, which has $3.5 million to strengthen the professional preparation of center and home providers.

- *Massachusetts* legislators allocated $2.2 million for child care training and resource and referral services in FY 1998, and appropriated an additional $955,000 in FY 1999.

- The *Nevada* Legislature appropriated $319,000 in 1997 to increase child care availability through training or facility start-up, expansion or refurbishment.

- In its 1997 session, *Minnesota* legislators enacted a law to provide ongoing funding of resource and referral services (R&Rs) to provide parent information and consultation, recruitment, and technical assistance and training for new providers. To fund these activities, the legislature appropriated $2.5 million for FY 1998 and $500,000 for FY 1999.

- A 1998 *Rhode Island* law funded child care provider training that fosters a coordinated link between providers and schools. Funded at $167,000, the law requires interagency collaboration to provide training, technical assistance and monitoring. It authorizes training for infant and toddler providers and for non-English-speaking providers.

- In 1998, *Nebraska* legislators required the state to award grant funds to people, community-based organizations or schools that need assistance for child care staff training.

- The 1997 *Arkansas* legislature enacted a law that required an annual comprehensive training plan for providers and authorized funds for training scholarships from the state's child care facilities and loan guarantee trust fund.

- *Colorado's* Early Childhood Care and Education Learning Clusters program uses federal funds to locally collaborate training efforts for at least 40 community clusters statewide, in cooperation with local councils that are working to meet the community needs of young children and their families.[17]

Other State Financing Strategies for Training

Legislators are exploring other state financing mechanisms to support training and education programs for child care teachers and providers. These mechanisms seldom produce a substantial amount of funds, but can supplement other sources.

- In 1996, *Massachusetts* lawmakers established the "Invest in Your Child" license plate program, which has raised more than $125,000 to date for early childhood teacher training and accrediting child care providers.

- In *Colorado*, a legislatively established state income tax checkoff produced $188,538 to improve child care quality in 1998, 32 percent more than in 1997. In the first five months of 1999 alone, the state raised more than $234,000 through the tax checkoff. Funds can be used to support teacher training sessions, and for materials and other investments to improve the quality of care. Grants ranging from $225 to $1,000 per provider were allocated to 355 child care centers and homes in 1997 and 1998. Almost $40,000, or more than 20 percent of the funds, was used specifically for training in 48 centers and homes throughout the state in 1997.

- In 1998, *Alabama* lawmakers directed a percentage of expected receipts from tobacco litigation toward funding child care programs with quality indicators such as licensing and training.[20]

North Carolina's Smart Start: Successes in Training And Career Development

The 1993 North Carolina law that established the state's wide-ranging early childhood initiative, Smart Start, required that communities be given maximum flexibility and discretion in developing their plans. The legislation set forth several activities for which communities could use state funds, including enhancing child care quality, technical assistance to providers, and staff and leadership development. Although this language was deleted in 1997, counties used and continue to use Smart Start funds for training and technical assistance to providers.

Smart Start initiatives include access to education that leads early childhood teachers and directors to certificates, diplomas and degrees in early childhood education or child development. The program's 1996-97 annual report found a higher quality of child care in preschool classrooms across North Carolina compared to 1994-95. The increase was positively related to participation in Smart Start quality improvement activities. These activities included training workshops, funds to attend them, and on-site technical assistance. The number of teachers who hold a North Carolina child care credential, associate or bachelor's degree improved from 62 percent in 1994 to 74 percent in 1996.[18]

A 1996 Smart Start performance audit also found the level of provider training in North Carolina Smart Start classrooms to be very good. Categories for Smart Start teacher education and support included professional development, salary supplements, provider training, continuing education, and health and safety training. A few county examples show how training and career development activities are applied.

Burke County Community College offers a no-cost, 66-hour early childhood certification course for providers. In addition, the local Red Cross provides first aid and CPR training to child care center and family child care home providers. Orange County's WAGE$ Project is a salary supplement incentive program. Designed to increase quality by decreasing staff turnover and rewarding teacher training, the program provides supplements for child care teachers and providers that vary in accordance with the level of training the person has achieved.[19]

California: Advancing Family Child Care Training Through a Public/Private Partnership

The California Legislature has supported a training project for the past 14 years that leverages private funds. Corporations, foundations, municipalities and individuals match the state's amount by two to one. The Legislature appropriates $250,000 per year, drawing $500,000 in private funds, for a total of $750,000 per year for the project. The state's Child Care Initiative Project funds resource and referral agencies to recruit, train and sustain new family child care providers.

The initiative has been widely recognized for its statewide successes. Through 1998, more than 35,200 providers—including 7,700 Spanish-speaking providers—received basic and advanced training in business skills and in how to provide safe, high-quality child care. Results from the first year indicated that the initiative was successful because it resulted in a retention rate of about 70 percent, far higher than the average child care provider retention rate. The initiative also has succeeded in creating thousands of family child care spaces for children of all ages. In the first decade, the initiative raised $9 million from 440 public and private funders. The California Child Care Resource and Referral Network, which coordinates and supports the state's 61 R&Rs, manages the initiative, providing training and technical assistance and monitoring project outcomes.[21]

Other states are beginning to examine ways to access business resources for child care training and education. For example, the 1998 Oklahoma Legislature required the state to encourage stronger public/private partnerships for provider training and continued education. In Vermont, legislators and the governor have promoted high-quality child care through support from community and business partnerships. This process has generated a good deal of interest and support both in the legislature and among businesses for improved child care quality. Besides helping to make the changes possible through informal support, the Vermont business community provided $40,000 to help improve child care quality statewide, including support for teacher training and education.[23]

Several states direct child care licensing application and renewal fees to training and education programs for child care teachers and providers, some through the legislative process.

- *California* uses licensing fees to fund technical support activities, including general training for providers and specific training for facility providers that have a serious compliance problem.
- Since passage of *Virginia's* law that directed all the state's child care licensing fees to training programs, more than 30,000 providers have attended training. The state raised approximately $275,000 in FY 1999 through the fees.
- *Tennessee* estimated that the state would collect $55,500 through its recent law that requires child care licensure application and renewal fees to be earmarked for improving child care quality through provider training and educational services.[22]

Using other Systems for Child Care Training

States also are examining ways to maximize the various sources of funds available for child care training. To make the most of public funds, some states have attempted to comprehensively access and coordinate the many public and private financing mechanisms to deliver certain types of training. *Colorado* executive branch officials have used this approach to develop a comprehensive career development system. (See box on page 19.) One example of this coordinated financing effort in Colorado is the state's use of new nontraditional trainers, such as emergency medical technicians, who can offer special training to child care providers in the area of child injury prevention. By obtaining data on funds that had been used for training, state officials can better target funds and measure progress toward increasing training funds. At least 11 other states are using this process. Individuals from various *New York* state agencies—including the police, libraries, and the departments of transportation, taxation and finance—are working together to coordinate child care training. Similar efforts are taking place in *Montana* and *Missouri*.[24]

Special Training Programs

States also are designing training programs that offer providers a specialized focus for various child care positions or for serving specific populations. These often include infants and toddlers, school-age children or children with special needs. HHS reports that states are using federal CCDBG quality funds to provide training for providers in school-age and infant and toddler programs, and that states also are using these funds for specialized technical assistance to help providers include children with special needs.[25]

- A 1997 *New York* law requires that child care providers determine which specific topics to study for the required training hours, based on their experience and the needs of the children in their care.[26]

- *Michigan's* child care training efforts have included a statewide emphasis on serving infants and toddlers through the state and regional community coordinated child care councils. The project's goals are to recruit more providers, link them with training and create additional spaces for infants. *Wisconsin* also is developing an infant/toddler credential to sustain teachers for this population with scholarships and enhanced compensation. *Georgia's* Standards of Care Initiative includes training for caregivers and families of infants and toddlers.

- A 1998 *Rhode Island* law required that appropriations for training activities include specialized training in infant/toddler or preadolescent care, a coordinated link between providers and schools and training for non-English-speaking providers. *New York* is using federal CCDBG quality funds for programs for non-English-speaking children.

- *Minnesota* legislators provided funds for training new providers in 1997.

- A 1997 *Wisconsin* law specifies that the state can use CCDBG and TANF funds for training and technical assistance for children with special needs.

- Director's credentials are available in *Florida, Texas* and *New York.* Florida's new law mandates a director's credential by 2003. *Nebraska* and *Mississippi* are using federal CCDBG quality funds for a director's credential. *California* requires a site supervisor or program director permit for early childhood administrators, and *Wisconsin* has developed an administrator's credential.

- In Oakland, *California*, a family child care training collaboration uses a peer training program for these providers.[27]

Training Welfare Recipients to Provide Child Care

As result of recent state and federal requirements for welfare recipients to work, nearly 30 states have pursued state-funded initiatives to encourage these recipients to become child care providers, and several have done so through legislation. In addition, six states plan to fund child care provider training for low-income individuals who are not receiving TANF. *Texas* and *Washington* legislators funded such programs in their 1997 sessions. A key component of these efforts is each states' overall commitment to provide the planning and follow-up needed to train TANF recipients. Proponents of these initiatives suggest that more child care services are needed and that the child care profession

Federal Quality Funds for Infants and Toddlers

In the 1998 appropriation law, Congress created an earmark for states of $50 million for activities to increase the supply of quality child care for infant and toddlers. HHS suggests the following examples of these state activities on its web site.

- Health consultation in child care
- Monitoring of child care programs
- Family child care networks
- Training curriculum for infants and toddlers
- Scholarships and grants to obtain training and education
- Mentor programs
- Child-to-staff ratios
- Continuity of care for infants and toddlers
- Resource and referral agencies
- Kith and kin care
- Linkages with Department of Defense child care programs
- Linkages with Early Head Start programs
- Purchase of equipment and materials
- Child care substitutes[28]

presents an opportunity for someone who is entering the work force. Some critics of this policy caution that candidates should demonstrate an aptitude for work with young children, and that realistic expectations for work in the field should be conveyed to candidates. Another consideration is whether the trainee will be able to recruit enough children to make a living as a family child care provider. A final concern is the economic ability of the state to provide work opportunities for an increased number of child care providers.[29]

Careers Program

For the past 11 years, Wheelock College has offered a program in Massachusetts to help families who are on welfare or who have low incomes to obtain employment in the field of child care and educational support. The program provides academic support to help participants learn to do college-level work and places participants in child care jobs, where they are supervised by participating centers. The program delivers training to participants beyond entry level so they are well qualified to be teachers. The program also helps participants find and pay for a course to become a lead teacher. Results show that a high percentage of participants complete the program and receive job offers at competitive salaries. Nearly all stay in the field and many pursue advanced degrees over time.

Source: Gwen Morgan, June 29, 1999, fax communication.

Education Incentives: Student Loan Assistance

Education and training costs and college admission policies can discourage individuals from seeking advanced degrees or professional development. Low salaries further inhibit early childhood professionals who want to further their education. State legislatures and other policymakers have addressed these concerns through various approaches. Two approaches that legislators in several states have taken are forgiving student loans and appropriating funds for scholarships.

Legislatures in at least four states have created laws that authorize the state to forgive or assume a student loan for someone who is choosing to earn a child development associate degree or other educational credit. Although this approach costs states in the short-term, policymakers recognize the long-term benefits of improving child outcomes by having more qualified child care teachers and increasing the supply of providers.

Pennsylvania legislators enacted a loan forgiveness program in 1993 to assist individuals who complete a BA degree and serve as child care teachers. People who earn $18,000 per year or less are eligible.[30] The *Pennsylvania* Higher Education Assistance Agency administers the program, which offers full-time professionals a maximum loan forgiveness award of $2,500 for each calendar year up to $10,000 per applicant. The legislature funded the program at various levels from 1993 to 1999, ranging from $100,000 to $300,000. In the FY 2000 budget cycle, neither the executive nor the legislative branch elected to continue to fund the program. The loan forgiveness program has attracted approximately 500 applicants per year, and the average amount forgiven was $2,000. In a typical year, approximately 10 percent of the qualified applicant pool participated in the program.[31]

The *Minnesota* Legislature appropriated about $250,000 in state funds in FY 1998 for loan forgiveness awards. This one-year program gave child care providers forgiveness of up to $1,500 of their loans annually, as long as they continued to provide child care services for one year after completion of their courses. (A 1999 provision increased this requirement to two years.) The program was so popular that the funds were allocated in one week to 265 providers, and 50 percent more funds were requested than were available.[32]

California legislators converted the state's Child Development Teacher Loan Assumption Program into a direct grant program that provides tuition assistance of $1,000 per year for participants enrolled at least half-time in a two-year institution and $2,000 per year for

those enrolled in a four-year institution. Legislators made the change in 1997 1) to help students become child care professionals without first accumulating debt and 2) because of very low participation in the assumption program. The Legislature originally authorized $200,000 in federal funds for the loan assumption program in 1992, then cut funding in half between 1993 and 1995. The new grants program is funded at $200,000 in FY 1998, with possible future annual funding of up to $400,000, depending on the level of available state funding and participation. In the first year of the grant program, 156 students were nominated for grants; only 120 students received awards for the 1998 academic school year.[33]

Several other states examined similar policies in 1999. The *Maine* Legislature appropriated $150,000 for FY 2000 for scholarships to child care workers who enroll in an early childhood related course in an accredited college or university. In *Texas*, legislators enacted a law in 1999 to repay a portion of student loans of early childhood teachers or providers who have achieved early childhood development degrees and agree to work in the field for at least two years. Another enacted *Texas* law authorizes federal CCDBG funds to award $1,000 scholarships to child care employees for training expenses and for obtaining a CDA.[34]

Retaining Workers Through Better Compensation

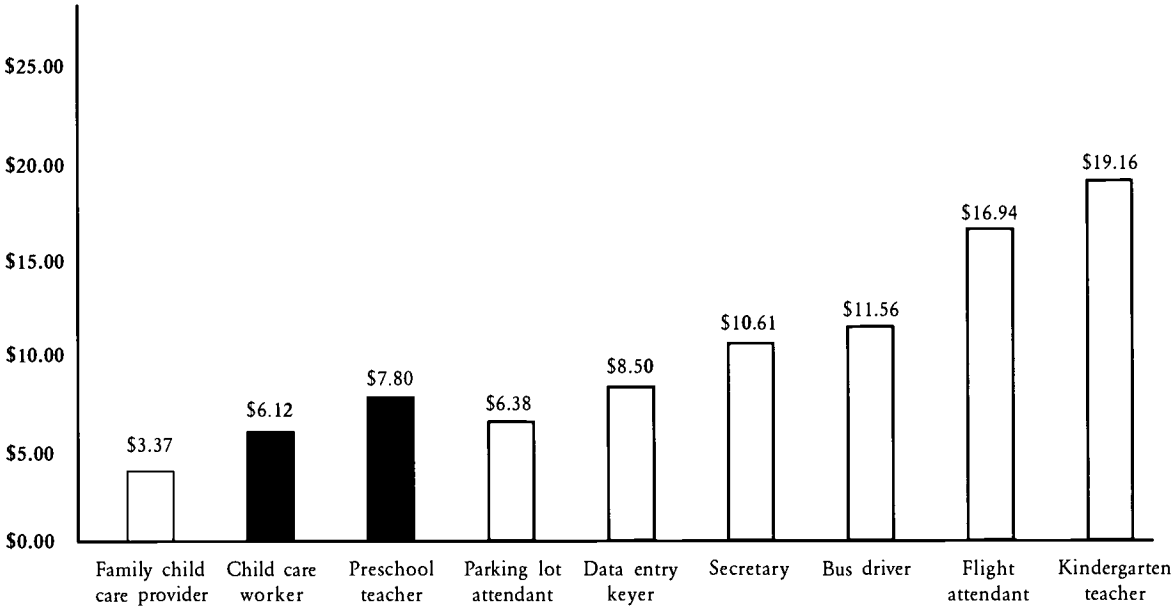
Low pay and a lack of benefits for providers and teachers have contributed to high turnover rates among early childhood professionals. Many child care providers leave the field because they cannot afford to remain in a low-paying industry where few or no benefits are offered. Prekindergarten teachers also experience low pay, but tend to earn higher salaries because of their connection with the public school system. Because more public funds go to public schools than to the child care system, some states are using public school prekindergarten training and education funds for child care staff. With high national employment rates, the low-wage early childhood field is experiencing a teacher shortage because many potential workers can earn more and have more career development opportunities in elementary or higher grades. Researchers have found that this situation can hurt child outcomes.[35]

Research on Early Childhood Salaries

Child development researchers have identified continuity of care from consistent, sensitive, well-trained and well-compensated caregivers as a key ingredient of good quality care. Researchers have found that when a young child experiences a change—or multiple changes—in his or her caregiver, this important attachment is hindered. A 1997 Center for the Child Care Workforce (CCW) study found centers that retain highly skilled workers were significantly more likely to have a better quality rating and that teachers who remained on the job earned significantly higher wages.[36]

Figure 2 places child care work force earnings in a context with the salaries paid to those in other occupations. The graph shows that child care workers earn less than, among others, kindergarten teachers or parking lot attendants.

Figure 2. Child Care Work Force Earnings in Perspective: A Comparison of Median Hourly Wages Between Child Care Jobs and other Occupations



Source: Center for the Child Care Workforce, *Current Data on Child Care Salaries and Benefits in the United States*, March 1998.

The average 31 percent turnover among child care staff is three times higher than other industries, partly as a result of stagnant child care wages for most providers. According to a 1998 CCW report, most child care teachers earn an average of $13,125 per year in real wages and most child care teaching assistants earn $12,250 per year in real wages. Only one in five centers provided fully paid health care benefits. The report, a follow-up to a 1988 study, found only minimal improvements in salaries and benefits over the decade. It notes that centers report high levels of job turnover and serious difficulty in finding qualified teaching staff, leading to problems of inconsistent care, understaffing and the strong potential for unsafe conditions for children.[37]

The 1995 CQO study found a significant relation between quality and wages, identifying average teaching staff wage as the second most important predictor of child care quality. A 1997 CCW report found that higher wages paid to teaching staff in combination with accredited centers significantly predicted better quality care.[38] (A more complete discussion of accreditation is included in chapter 3). Nineteen lead state agencies report that they provide federal quality improvement funds for compensation initiatives.[39] With the goal of increasing child care quality, some state legislatures are using salaries and benefits as effective career development incentives.

Wage and Benefit Incentives

Because of the child care industry's low pay, poor benefits and the perception that the field offers no opportunities for career advancement, providers and administrators have had few incentives to invest in training. An increasing number of states are developing policies that support career development and good quality goals by simultaneously addressing the lack of training and weak compensation. This policy initiative, the TEACH

Early Childhood® Project, provides scholarships linked to compensation for early childhood teachers, directors and family child care providers to expand their formal education and career opportunities. Implemented in *North Carolina* in 1990, TEACH rewards participants incrementally with pay increases as they complete a predetermined amount of education leading to a credential or degree. In all cases, providers must remain in the child care program or the field for a set amount of time following receipt of their compensation incentive.

By helping providers link higher education and training to increased compensation, TEACH has effectively addressed the needs of the low educational level, poor wages and high turnover in *North Carolina's* early childhood work force. Results from this North Carolina-based initiative show that TEACH meets the intended goals of sustaining committed qualified child care staff through improved compensation. As of July 1, 1998, TEACH participants in the associate degree scholarship program averaged an annual turnover rate of less than 10 percent and experienced an annual wage increase of about 30 percent. With state funding averaging slightly more than $1 million per year since 1993, approximately 10,000 providers from 3,000 child care programs have had the opportunity to further their formal education and training with a TEACH scholarship. This means that about a third of all centers had at least one staff person who received a TEACH Early Childhood® scholarship in 1997-98.

To address the issues associated with a significantly uninsured workforce, the TEACH Early Childhood® Health Insurance Initiative was launched to help child care programs with the costs of providing basic health insurance for their employees. Through this initiative, child care programs with participants in selected TEACH-funded scholarship models are eligible for reimbursements for a third of the costs associated with providing staff with health insurance. The pilot program, initially offered in 24 counties, expanded statewide in July 1999.

At the governor's request, CCDBG funds were earmarked to expand Child Care Wages™, a direct salary supplement program for child care providers statewide. This compensation initiative will partner with state Smart Start funds to provide a $300 to $3,000 annual supplement that is tied to participants' attaining education.[40]

As of 1999, organizations in nine other states–including *Colorado, Florida, Georgia, Idaho, Illinois, Indiana, New York, Pennsylvania* and *Wisconsin*–have secured licenses to replicate the TEACH Early Childhood® Project. Of these states, only *Georgia* has completed an evaluation of the project. Although TEACH in Georgia is operating on a much smaller scale than in North Carolina, participants in Georgia have experienced a turnover rate of 10 percent and average wage increases of about 9 percent. In FY 1999, Georgia expects to use $155,000 from federal CCDBG funds and private foundations to expand the project.[41]

State Salary Initiatives in 1999

Legislatures in at least four states considered similar incentive strategies aimed at improving child care salaries in 1999. A new *Texas* law directs federal CCDBG funds to wage supplementation or bonuses for child care teachers who have achieved a CDA degree through a state scholarship and who provide care for children younger than age 6. *Arkansas, California* and *New Hampshire* legislators also considered pay incentives that ranged from stipends to bonuses to salary subsidies. *Washington's* governor approved using $4

million in TANF funds to increase wages for early childhood education teachers who achieve a two-year degree. The project would assist 1,000 teachers in 100 centers statewide.[42]

Benefits

In addition to low wages, child care providers' lack of access to health care or retirement benefits is a disincentive for them to remain in or enter the field. In fact, a considerable number of child care professionals earn such low pay that they are eligible for Medicaid and food stamps. State lawmakers continue to recognize the importance of increasing early childhood workers' access to health care benefits.

During its past few sessions, the *Rhode Island* Legislature has addressed systemically the lack of benefits. In 1996, the legislature enacted a provision that requires health care coverage for family child care providers who receive subsidies for children that amount to at least $1,800 in a six-month period. Since January 1997, at least 139 family child care providers have been served by this program. Two years later, state lawmakers expanded this effort to cover center teachers. The 1998 provision, which was part of "Starting Right" (a comprehensive child care funding and quality law), directed the state to subsidize health care coverage to center-based staff if at least half of the children they care for meet income guidelines. This requirement is lessened to 40 percent of children meeting income guidelines in 1999 and to 30 percent in 2000.[43]

North Carolina will use federal CCDBG funds to assist centers in paying for health insurance coverage for their employees (see page 17). The *Florida* Legislature enacted a law in 1999 to require the state Department of Insurance to conduct a study regarding how to make affordable health insurance available to child care staff. Florida legislators also exempted high-quality child care programs, known as Gold Seal, from sales taxes on educational materials if they provide health insurance to their employees. *Massachusetts* legislators considered a bill that would provide $2 million to help child care workers buy insurance.[44]

Career Development

To help providers build on their education and training, policymakers are recognizing the importance of developing a coordinated, coherent system. The goal of a career development system is to make the profession attractive enough for teachers and providers to remain in the field as they continue to advance their knowledge and experience. To accomplish this, policymakers are looking at developing career systems that include a sequential structure for training, education, job positions and responsibilities. As previously discussed, good wages and benefits are key to this process. State decision makers can use other strategies to implement a strong career development system, including career ladders and paths, more accessible college admission policies, mentoring and apprenticeships, and core competencies. This section highlights state efforts in these areas.

Building Careers: Strategies for More Skills

State leaders are recognizing the connection between a more educated and professional work force and good child outcomes. Across the states, child care career development strategies are typically unorganized; some states, however, are moving toward comprehensive systems. In 48 states, active training and career development initiatives are under

way, often with state funding, according to a 1998 national survey conducted by The Center for Career Development in Early Care and Education at Wheelock College.[45] State legislators are among the policy leaders in this area; many states are enacting laws that facilitate, coordinate and fund training, education and career development for early childhood professionals.

States can also use their licensing regulations to promote a systematic career development approach. A 1999 study identified several key factors in licensing that would help the system move toward a more effective career development approach. These factors were specialized early childhood training, progressive qualifications and responsibilities, specification of content areas and experience requirements. The study identified four states—*Colorado, Kansas, Massachusetts* and *Vermont*—that have licensing provisions that facilitate the growth of career development principles.[46]

Some legislatures are beginning to incorporate career development into long-term policy strategies. Effective career development systems typically include training for all early childhood professionals-teachers, directors and practitioners in all environments, such as centers, homes, schools, Head Start programs or family support programs. Such comprehensive systems also serve other human services providers-such as nutrition, mental health, child welfare, job placement or other social services professionals-who may work with child care providers. Strong career development efforts usually are bolstered by leadership development incentives that can include specific, sequential training requirements and opportunities for positions of higher authority, skill levels and specific jobs. Some of these positions may require a credential. Most quality career development systems also require a core body of knowledge and competencies to support providers' abilities to serve children and families from diverse cultures, ages, economic and linguistic backgrounds and those with special needs. One report found that groups in 23 states were actively involved in establishing common core knowledge competencies. These career development systems can offer providers with expertise in a specialized area as well.[47]

Key Characteristics of Effective Career Development

- One coordinated system for all levels of providers in all types of care. These include teachers, supervisors, directors and staff in all early childhood learning environments—schools, child care centers, Head Start programs, family child care homes, parent education and support programs.
- Articulation of a core body of knowledge for early childhood practitioners in all settings.
- A sequential system of teacher preparation, continuing staff development and career progression.
- Training and compensation linked to rewards for increased knowledge and skill.
- Expanded and coordinated financing.
- Suitable qualifications for roles.
- Systemic planning.
- A quality control system.
- A system for assessing training needs, and offering training based on those needs.
- A system for making information about training—and the training itself—easily accessible to a wide range of teachers, supervisors, directors and staff.
- Involvement of key stakeholders.
- Access to training, including facilitating transportation and setting convenient times, which are both especially important for rural and remote providers.
- Career counseling.
- Financial aid.
- Recruitment.
- Collaboration with early childhood programs, including child care subsidies, state prekindergarten programs, Head Start, family support, schools and other systems.[49]

Licenses or Credentials for Providers

Unlike professionals in other fields (such as public school teachers, doctors or hairdressers), teachers in child care centers generally are unlicensed by states. States license child care facilities, but only *Massachusetts* licenses center teachers. At least 18 other states have implemented early childhood teacher certification requirements and at least 17 states plan to address this issue.[48] A 1997 *North Carolina* law required credentials for child care staff and administrators based on education levels. In 1999, the *New Hampshire* legislature enacted a credential for child care, preschool and Head Start personnel. *Minnesota's* 1997 law required the state's Institute for Early Childhood Professional Development to make recommendations

about whether the state should separate the licensing of individuals from the licensing for the program and physical plant of child care centers and homes.[50]

Career Opportunities

These formally structured steps—sometimes referred to as career ladders or lattices—include specific levels of job authority for certain levels of training or education. The steps serve as incentives for people in the field to grow into professional positions with more challenging responsibilities and move laterally across systems. *Indiana's* career ladder, for example, includes a set of career options at each level that can be obtained with the required training. *Connecticut's* 1997 school readiness law invests funds in a career ladder for early childhood providers and developed statewide sites for the National Association for the Education of Young Children (NAEYC) accreditation. State officials trained 1,500 child care workers in FY 1998 and hope to increase that number in 1999. The training includes diverse courses as part of a substantive career path. As of 1998, 21 states had implemented a career lattice and another 26 states are discussing or planning one.[51]

Apprenticeships and Mentoring

Some states have developed apprenticeship programs to increase early childhood providers' skills. These programs combine classroom instruction with on-the-job training and assign each apprentice to an experienced child development professional. The *West Virginia* Governor's Cabinet on Children and Families established a Professional Development Initiative to focus on apprenticeship for child development specialists, core competencies, a career pathway, minimum training standards and college credit agreements. West Virginia's Apprenticeship for Child Development Specialist program, which began in two counties in 1989, has expanded to 35 of the 55 counties through federal funding and includes directors who involve their staff in training and commit to wage increases for participants.

Under the state's program, apprentices complete 300 hours of classroom instruction and 4,000 hours of on-the-job training in a two-year period to receive certification, which is equivalent to a CDA. College credit also is awarded for the apprenticeship certificate at several community colleges. Approximately 800 early childhood providers have received the certificate and an additional 500 have been involved in training. Through agreements with 10 community colleges, providers can apply the credits toward an associate's degree with an early childhood specialization and/or a nontraditional four-year degree that allows credit for work experience and relevant training. The program's collaborative partners include federal and state agencies and county vocational schools. Head Start and the Benedum Foundation provide funding for classes as well. Several other states-including *Arkansas, Florida, Maine, Maryland, Minnesota, Montana, Ohio, South Dakota* and *Utah*-operate apprenticeship programs.[52]

As with apprenticeships, mentoring programs allow experienced staff to pass on their knowledge and experience to less experienced staff. State mentoring programs usually offer advanced training in adult learning to experienced teachers, who then supervise beginning teachers as they interact with children. Mentoring encourages experienced caregivers and directors to stay in the field by helping them learn to share their skills with others and grow in the profession.

In 1998, the *Rhode Island* legislature enacted a law that funds mentoring, training and technical assistance to providers. An evaluation of *California's* mentoring program, the

largest in the country, found that mentor classrooms had higher quality than typical child care centers.[53] *Minnesota's* Child Care Apprentice/Mentor Program includes wage subsidies and job placement to assist low-income women to find jobs. Apprentices work with mentors at a child care center for two years, receive a 90 percent tuition reimbursement for 30 college credits toward an early childhood certificate and become qualified as a head teacher under the state's licensing guidelines. The Hennepin County commissioners provide funding for the program. *Wisconsin* provides federal CCDBG funding for child care mentor teacher training grants of $40,000 to each of five counties. The projects include mentor seminar courses for credits; increased compensation; collaboration among technical colleges, R&Rs and job centers; and professional development plans for participants.[54]

College Admissions

Many who have associate degrees must repeat course work in a four-year college or university because of the lack of effective agreements among community colleges and four-year colleges and universities about what can count for credit. Similarly, people who completed training in extensive vocational early childhood programs in high school also must repeat the training due to the absence of such articulation agreements. Without these agreements, repetition and duplication of subject matter is a major barrier to individuals and can also cost states public tax dollars.

At least 21 states are implementing plans for statewide college articulation agreements, which assure that training at one level will count at subsequent levels for people who are attaining a college degree. In 1999, the *Iowa* legislature required a multi-agency council to establish an articulation process to give academic credit for training. *New Mexico* also has established such a law. In *Pennsylvania*, the Alliance for Early Childhood Education, a group of well-funded two-year and four-year colleges, is working together on this issue. A *Connecticut* program has provided a content basis for two-year and four-year colleges to agree on the worth of past educational experiences toward a higher degree.[55] *West Virginia* and *Minnesota* have apprenticeship programs that involve colleges in articulation agreements (these are discussed on pages 20-21). Observers of this issue point out that agreements should be flexible enough to allow credits even if a student did not declare his or her intention to apply to a four-year college.

Core Knowledge and Competencies

Another important aspect of state child care career development systems is establishing agreement on core knowledge areas that are essential to all providers and teachers. This approach can become the basis for articulation agreements among colleges and can guide decisions about content and funding for training. It also helps ensure that providers can effectively serve children who have special needs, speak a non-English language or are from a diverse culture. A report from Wheelock College found that, in 1998, 28 states had implemented core knowledge and competencies for early childhood teachers and providers and another 19 states were examining the issue.[56]

- A 1997 *Minnesota* law required the Institute for Early Childhood Professional Development to make recommendations on several issues, including core competencies based on the age of children served and type of provider. The institute recommended a basic set of skills and knowledge for providers, the continuation and expansion of an electronic training clearinghouse, a training approval system for noncredit early

care and school age care and education training, assessing training experiences, and credentialing providers separately from licensing facilities.

- *Iowa's* 1999 law required that the state identify core competencies for child care providers and administrators that may be incorporated into professional standards.

- In 1995, the *Arkansas* legislature enacted a bill that established appropriate topics for 10 hours of required continuing education in early childhood. The areas listed in the law include child development, nutrition, parent communication and involvement, curriculum development, developmentally appropriate practice, behavior management, emergency care, and administration and management.

- A 1997 *North Carolina* law specified staff development standards and topic areas.[57]

State policies to increase access to training and education have a positive effect on the quality of care that a young child experiences as research links more teacher and provider education and skills to improved child cognitive and social outcomes. Central to this are wages that make the work affordable and sustainable, which in turn both keep good workers in the field and promote continuity of good care for children. Legislators in some states have joined other policy leaders in constructing a systematic career development approach that increases access to education and training, promotes better compensation and retention of quality providers, and encourages long-term career paths for a better work force.

Furthering Career Development by Investing in Resource and Referral Services

Many states work closely with resource and referral services to advance training and career development efforts. Nearly all states provide funds to child care resource and referral services (R&Rs), either with federal or state funds or both. This chapter discusses different examples of states that involve R&Rs in their laws and policies to promote good quality child care and early education. At least 20 states spend state funds for child care resource and referral services.[58] The work of R&Rs varies from state to state, depending on organization and goals. R&Rs have improved child care services in many states through various strategies, including:

- Assisting providers with regulatory requirements to ensure safety;
- Training child care providers at all levels of professional development with programs ranging from basic instruction for entry level employees to more advanced courses offered in affiliation with community colleges; and
- Connecting providers to educational resources.[59]

Subsidy Services

Resource and referral programs are also an important part of each state's child care subsidy program, in many cases providing a point of entry at the community level for families who are seeking services. As a result, many lead agencies have used the federal quality improvement funds to create statewide resource and referral networks.

According to the recent HHS report on state plans, agencies participating in the networks serve parents, providers and the child care lead agency. They provide child care consumer education for parents, as well as counseling and other resources to help families find the child care environment that best meets their needs. Resource and referral agencies also meet the needs of the lead agency for child care by determining eligibility and monitoring programs. The report lists several areas in which R&Rs specialize, including:

- Maintenance of lists of licensed and regulated centers and family child care providers in a community.
- Recruitment, training and monitoring of providers, particularly in underserved areas.
- Consumer education for parents, providers and other members of the community, including employers and social service organizations.
- Data collection and analysis on the supply and demand for child care in the community, usage rates for each type of care, and the need for child care subsidies.[60]

3. Program Quality Standards

In addition to promoting a more educated staff and a better career system, state policymakers can improve the quality of early childhood programs by establishing voluntary standards that exceed state licensing regulations. This approach to improving child care quality can reward child care and early education settings that meet these standards and can help parents identify such high-quality programs. In some states, policymakers are encouraging centers and homes to meet a set of quality standards. These can be national accreditation standards, other state-set standards or performance standards designed for pre-kindergarten programs.

These standards cover a wide range of child care components that affect quality services and are applied to various settings, including centers, family child care homes, pre-kindergarten (also known as preschool) programs, school-age programs and child care services that include children with special needs. The intent of the standards is to achieve a higher level of quality than the minimum requirements set forth in licensing regulations. This can be especially important for the many centers and homes that are exempt from licensing. Some policymakers have given special recognition to programs that meet national or state standards. These early childhood programs benefit not only from the positive public designation, but in some states also are rewarded with higher reimbursement rates or other financial incentives. Some of these policies are detailed in chapter 4.

Accreditation

In recent years, state lawmakers have turned to accreditation as one strategy that encourages early childhood and school-age programs to exceed the typical requirements set forth in regulations. Policymakers are recognizing that voluntary accreditation complements licensing regulations by promoting a process of continuous quality improvements. Chapter 2 discusses one aspect of accreditation—the level of professional qualifications and development. Other accreditation factors generally include health and safety, administration, curriculum, staff-child interactions, staff-parent interactions, indoor and outdoor environment, and evaluation.

Most accreditation programs are national. Several different organizations accredit full- and part-day early childhood programs, including child care centers, family child care homes, preschools, kindergartens and before- or after-school programs, whether they are nonprofit or for-profit. The accreditation program that is most widely used for child care centers is the National Association for the Education of Young Children (NAEYC). As

of fall 1998, about 6,000 programs serving more than a 500,000 children—or about 5 percent of centers—have become accredited centers under NAEYC.[1]

During 1999, two new accreditation systems are emerging from their pilot phases: the National School-Age Care Alliance (NSACA) accreditation of school-age programs and the National Association of Family Child Care (NAFCC) accreditation of family child care homes. Various other organizations—including some religious-based groups—also accredit early childhood programs. (These programs are discussed in more detail on page 25.) Accreditation legislation in some states often includes language that is broad enough to apply to accreditation by a range of organizations, while other bills have specified NAEYC accreditation.

Accreditation and Quality

Several studies have correlated early childhood accreditation with better quality. A 1996 study found that NAEYC accreditation is a relatively effective strategy for improving program quality and identifying high-quality programs for parents, funders and policymakers. This research indicated that accredited center programs consistently demonstrated higher quality for children.[2] A 1997 Center for the Child Care Workforce (CCW) study found that child care centers that achieve NAEYC accreditation demonstrate higher overall classroom quality—including greater improvement in child-to-staff ratios and teacher sensitivity—than do centers that begin the process but do not complete it. Low ratios and teacher sensitivity are two key factors in predicting better outcomes for children. Accreditation also indirectly supports quality because such child care settings provide a better educated staff who have specialized early childhood training, better health and safety provisions, and better parent relations.

The Accreditation Process

Although specific processes vary depending on the accrediting organization and whether a program is a center, home or school-age program, several common steps are used. To achieve accreditation certification, a program usually participates in a multistage process. An early childhood program voluntarily applies for accreditation and then engages in an extensive self-study based on the criteria of the accrediting organization. Part of the process typically involves a site visit by the accrediting organization to the early childhood program that includes a team of trained volunteers to validate and verify the accuracy of the program's self-study. Parents whose children are enrolled in the program sometimes are involved in the site visit. A group of recognized experts in child care and early childhood education then reviews the validated self-study (including the program director's responses to the validation visit), judges it to be in substantial compliance with the criteria, and then grants accreditation for a three-year period. When it is accredited, the early childhood program agrees to act upon any suggestions regarding areas that need improvement and to submit annual written reports documenting improvements and continued compliance. In some accreditation processes, an early childhood program must update or reapply for accreditation after a specified time period.[3]

Source: Early Childhood and School-Age Program Accreditation, Barbara Warman, National Association for the Education of Young Children, fax communication, May 11, 1999.

The CCW study revealed that, although accredited centers are more likely to exceed the quality of care provided by nonaccredited centers, accreditation is not the sole determinant of quality. The study cautioned that 40 percent of these accredited centers are rated as mediocre in quality and that they are no more likely than nonaccredited centers to meet linguistic needs of non-English-speaking children. The 1995 *Cost, Quality and Child Outcomes in Child Care Centers* study similarly found that 56 percent of accredited centers offered mediocre to poor quality services. The CCW study also found that highly skilled workers are equally likely to leave accredited and nonaccredited centers

As discussed in chapter 2, one of the primary reasons for turnover in the field is poor wages. The CCW study identified higher wages and retention of skilled teachers as two key factors that, in combination with accreditation, are predictors of high quality in child care centers. Other studies also have identified better staff compensation as the critical ingredient that, along with accreditation, results in better quality care. In addition, cen-

ters in the CCW study that achieved accreditation experienced less teaching staff turnover than centers that began but never completed the accreditation process.[4]

Key Characteristics of Accreditation

Several organizations accredit child care programs and, although they have different criteria, they share many of the same standards. NAEYC has a National Academy of Early Childhood Programs, which accredits centers. The National Child Care Association has a National Early Childhood Program Accreditation that accredits any licensed child care or preschool program. The Council on Accreditation of Services for Families and Children Inc. accredits center-based child care programs, as well as group and family child care programs, that are operated by social service organizations. NSACA accredits programs that serve 5- to 14-year-olds in their out-of-school time. The National Association for Family Child Care accredits family child care providers.

Ensuring that Accreditation Policies Improve Quality

After a lengthy revision process involving the input of a diverse group of leaders—including state administrators, researchers, representatives of various accrediting bodies, practitioners and others—the NAEYC recommended ways to ensure that accreditation policies are effectively developed and implemented to improve the overall delivery of high-quality early childhood and school-age services. These include:

- Accreditation policies should not replace state regulations, but should complement them.
- Policies should promote public awareness about accreditation and mandatory regulations in supporting children's healthy development and learning.
- Accreditation criteria should be based on research about program quality and be periodically reviewed, evaluated and updated.
- Policies promoting program accreditation should ensure that financial incentives are linked with public and private funding initiatives. These may include grants, loans, higher reimbursement rates, and tax credits.
- Accreditation policies should make resources available to teachers, directors, parents and other people who are interested in seeking accreditation.
- Accreditation should be linked to an overall plan for supporting a highly-qualified, stable, early childhood professional work force, including education, training, professional development, and compensation incentives.
- Accreditation policies should promote a plan to improve the state system of care and education and outcomes for children and families and use accreditation as one of many benchmarks to help track progress.[5]

In general, accreditation criteria focus on relationships and processes, in contrast to licensing, which stresses measurable, enforceable standards. The following criteria usually are considered by most of these organizations when confirming accreditation.

Staffing Structure—Child-to-staff ratios and group size are factored. These standards often exceed state regulatory standards.

Health and Safety—Programs are expected to include good health and safety standards, including good nutrition and food services.

Professional Qualifications and Development—Teachers should have specialized training in child development and early education and have significant familiarity and experience with their type of program. Good administration of a program also is often considered.

Staff-Child Interactions—Teachers should stress all areas of child development, including cognitive, emotional and physical development. Caregivers should recognize and respect differences in children's abilities, interests and preferences and have positive relationships with children.

Physical Environment—Centers should provide children with a sufficient variety of toys and materials that are age-appropriate.

Curriculum—Staff should regularly plan and be willing to adjust the daily activities to meet children's individual needs and interests. Planning should reflect a balance of outdoor and indoor activities and include both individual and group play and work. Early childhood programs typically must promote a learning environment and child development.

Parental Involvement—Staff should regularly discuss highlights of the child's experiences with parents and show respect for families of varying cultures and backgrounds.[6]

State Actions on Accreditation

During the past several years, state legislatures have developed policies that support accreditation in various ways, mostly through funding and other incentives. Approximately 35 states have policies that support accreditation using various approaches in three primary areas:

- Establishment of higher payment levels for accredited care;
- Quality enhancement grants and incentives, technical assistance and training to help providers to become accredited; and
- Recognition of accreditation.

Through quality enhancement grants, 19 states provide funding to assist centers or family child care homes gain accreditation. Of these states, seven use accreditation as a priority for program eligibility; five require pre-kindergarten programs to be accredited and three others encourage it; and eight recognize accreditation status as part of a seal of approval process or as part of a special license.[7] To promote quality, at least 19 states pay differential reimbursement rates based on national accreditation or state standards. This particular strategy is discussed in greater detail in chapter 4.

Accreditation and Quality Standards: Questions for Legislators to Consider

State legislators may want to consider some specific questions about accreditation and other quality standards when developing related policies.

- How will a state select which accrediting body to recognize in policies?
- If a state works with more than one accrediting organization, how does it ensure equivalence?
- How will a state assure that child-to-staff ratios and group sizes for accreditation are met, especially in states where these standards are low?
- What agency is responsible for writing and monitoring state standards that are stricter than licensing?

Funding

A growing number of states are directing state and federal funds or other financing to accreditation, many through the legislative process. Because the private child care market is generally unable to sustain accreditation components, these financing policies can help programs pay for high-quality services. Many states are increasing reimbursement rates for providers who care for low-income children and who meet accreditation or other state standards that are stricter than regulations. Legislatures have been at the forefront of this policy movement-known as differential reimbursement rates-beginning with *Ohio* and *Wisconsin* in 1991. The percentages of the differential rates vary and are discussed in more detail in chapter four.

States also are directing federal CCDBG funds and state money to accreditation. A 1998 report found that 18 states and *Guam* use federal funds to support programs that are pursuing accreditation. The funds are used for technical assistance to achieve accreditation, accreditation fees, and program improvements. An additional five states use federal special education funds for accreditation. The report cited seven states that recognize accreditation for funding priorities or for program eligibility.[8] In addition, accreditation has been mentioned in federal legislation proposed in 1998 and 1999.

Several examples follow of states that have authorized their own funds to support accreditation policies.

- *Connecticut's* 1997 school readiness law provides quality enhancement grants to early childhood education programs. Accreditation is one aspect for which a program may receive priority funding. One of the uses of such grants is to help providers who are not accredited by NAEYC to obtain such accreditation. The state must establish five regional accreditation projects, select qualified applicants through a request for proposal, and give priority to facilities that serve at least 20 percent of children from families that earn less than 75 percent of the state median income. This support initiative is based on an eight-year-old program, previously funded with private corporate and philanthropic money. The accreditation initiative is one component of the state's professional development system, "*Connecticut* Charts-A-Course." The law also requires that the state give priority for loan guarantees to centers that have obtained accreditation from NAEYC or that are in the self-study process.

- *Massachusetts* legislators required that special "invest in children" license plates support the state's Child Care Quality Fund and authorized that the fund be spent on teacher training, parent education, educational materials, bilingual and bicultural training, and technical assistance for acquiring accreditation by NAEYC.

- In evaluating applications for funding facility improvement and training grants, the *Minnesota* Legislature required child care regional advisory committees to rank and give priority to child care programs that are seeking accreditation and child care providers who are seeking certification.

- A 1998 *Oklahoma* law authorized a tax credit to employers for 20 percent of eligible expenses for qualifying child care services, defined as those accredited by a national association recognized by the state Department of Human Services. The law also provides a 20 percent tax credit to businesses that are primarily engaged in providing

child care services for expenses–incurred to comply with national accrediting association standards–that would not have been incurred to comply with state licensing requirements.[9]

State Quality Standards

Some states have established their own set of voluntary child care and pre-kindergarten standards that promote good quality. They vary somewhat from national accreditation standards, but often include some of the same key elements. This option allows states to tailor standards to specific state needs in a variety of areas. The approach serves a consumer education purpose by providing parents with information about a child care center's or home's level of quality. Through this strategy, child care programs have an incentive to meet state voluntary standards. Some of these policies offer additional financial incentives as well.

- Several states officially recognize accreditation through a special status. Legislators in *Florida* established a Gold Seal Program in 1996 to offer providers an incentive to become accredited, while increasing public awareness of quality programs. In 1998 the legislature approved differential reimbursement rates for Gold Seal programs. (See page 37 for more details). Other state quality standards tied to reimbursement rate levels also are discussed in chapter 4).

- *Georgia* developed its Standards of Care initiative for infants and toddlers. The state awards a Center of Distinction certificate to each child care center that adopts the voluntary, state-set standards. An estimated $500,000 will be raised from private sources for facilities that need equipment to meet minimum quality standards.

- Three *Kansas* departments have adopted the Kansas Standards for Early Childhood Education, which provide a consistent measurement tool to evaluate all early childhood programs.[10]

Georgia's Prekindergarten Program: Quality Standards Produce Good Results

The Georgia Prekindergarten Program is funded by more than $200 million annually from lottery revenues. The program's school readiness goals are to provide a developmentally appropriate preschool program emphasizing growth in language and literacy, math concepts, science, arts, physical development, and personal and social competence. Recent evaluations of Georgia's universal pre-kindergarten program found that participants had higher academic and social ratings, better school attendance and improved parent satisfaction. A 1997-98 report of a longitudinal study found that most kindergarten teachers believed that their students were better prepared as a result of the pre-kindergarten program. Teachers identified improved skill areas among pre-kindergarten participants, including pre-reading, pre-math, fine and gross motor development, independence and initiative, and interactions with adults and other children. The study also found that parents were satisfied with the program; 83 percent of them agreed that their child progressed in school faster as a result of pre-kindergarten enrollment.

Source: *Georgia Pre-K Program Study: Prekindergarten Longitudinal Study 1997-98 School Year, Report 2, Summary of Findings* (Atlanta, Ga.: Georgia State University, Applied Research Center, 1999); www.osr.state.ga.us/whatisprek.htm.

State Prekindergarten Standards

According to a 1998 report, 16 states require their preschool programs to include specific, high-quality, state-set standards. Three of these states use federal Head Start performance standards in their pre-kindergarten programs. The state standards generally are comprised of four categories.

State quality standards for preschool vary, but share several generalities.

- *Child-to-staff ratios*–State standards generally range from one teacher for every six to 10 children, with maximum class sizes ranging from 18 to 24.

- *Staff qualifications*–Typically, teachers must have one of several educational credentials: a child development associate (CDA) credential, an early childhood education or elementary education certification, a combination of college credits in early childhood education and some work experience, or a college degree with specialization in early childhood education.

- *Curriculum and practices*–Usually, state preschool practices reflect Head Start performance standards, national accreditation practice standards, or, in a few states, state child care licensing requirements.

- *Parental involvement*–States usually require parents to attend parent-teacher conferences and meetings and encourage their involvement in parent advisory committees. Some state programs provide home visits and other family support services.[11]

4. Reimbursement Policies

Child care is a cornerstone of recent state legislative initiatives to transform welfare into a work-based system. Along with work-related goals for parents, however, an increasing number of state policymakers are recognizing that child development objectives are equally important for state child care systems. The availability of child care is crucial for parents who must work to support their families. The quality of that care also reaps long-term benefits to children and society by assuring safe, nurturing learning environments. Research indicates, however, that the quality of most child care settings is mediocre or inadequate and that our youngest children are most likely to experience poor quality or unsafe care. Millions of young children are, in effect, receiving only custodial care during their most formative years.[1]

The challenge for lawmakers is to increase the supply of care while upgrading its quality in a limited fiscal environment. With the reform of welfare at the federal level, state lawmakers have assumed major responsibility for balancing these policy goals to assure both the supply and the quality of child care for welfare recipients, those who are making the transition off welfare, and those working poor parents who are struggling to stay off welfare.

Increasingly, state lawmakers are examining fiscal policies to shape incentives to improve child care quality and to expand the supply of scarce care. At least 19 states have established tiered rate structures to increase the reimbursement to providers who offer higher quality services.[2] A growing number of lawmakers have authorized higher payments for providers who meet national accreditation standards. Some states authorize higher payments for providers who meet stricter licensing requirements or other quality of care standards. Many states also have enacted legislation to expand the supply of less available care—such as weekend and evening care and care for infants and toddlers and those with special needs—through increased reimbursement for those services.[3]

This chapter examines state reimbursement policy and its implications for improving the quality of care, with a focus on emerging state initiatives regarding tiered reimbursement systems. It provides:

- Recent state examples of efforts to upgrade overall reimbursement levels for child care providers;
- A discussion of the methods used to determine prevailing market rates and to set provider reimbursement levels and related policy implications; and

- Examples of emerging reimbursement strategies with a focus on variable payment rates designed to create incentives for upgrading the quality of care or expanding the supply of less available care.

How States Set Payment Rates for Subsidized Child Care

Under the former welfare system, the federal government required states to conduct market surveys to determine prevailing rates and to reimburse providers at the 75th percentile of the market rate for certain welfare-related child care. Simply stated, this means that the state had to cover the rates set by 75 of 100 providers in a given market for specific types of care. Today, regulations require states to conduct a market survey every two years and recommend—but no longer require—establishing rates at the 75th percentile.[4]

Several policy rationales exist for a market-based approach. Policymakers want to assure prudent expenditure of public resources by determining a fair rate for the services, given market conditions. Another primary goal is to assure that subsidized children have access to the same range of child care services in a given market as do other children—a requirement of the federal Child Care and Development Block Grant (CCDBG). An additional concern is assuring adequate supply by setting payments that allow providers to recover their costs. Without a fair return, providers may refuse to serve subsidized children.

In using market-based methodologies to set rates, policymakers are confronted with several major questions. These issues are discussed in the following sections.

- Does the market adequately reflect costs?
- Do rates reflect the current market?
- How can a market-based system be structured to provide sufficient access to quality, enriched programs for low-income children?
- Can a market-based system provide incentives to improve the quality of care?

Does the Market Reflect Costs?

A major issue with the market-survey methodology used by most states is the fact that it is based on the assumption that the market reflects actual costs. However, recent research into the cost of child care programs suggests that market costs often are lower than the actual cost of producing the services. The 1995 Cost, Quality and Child Outcomes in Child Care Settings multi-state study concluded that a child care program's actual budget may be reduced by as much as 25 percent by hidden subsidies. These include low wages; building, rent or occupancy aid; volunteers; donated goods; and in-kind contributions. Most hidden costs are born by workers themselves through foregone wages and benefits. Because child care workers often earn less than the average person who has a similar education and circumstances, the study's economists estimated that workers were subsidizing as much as 19 percent of the centers' actual costs.[5] (See box on page 32.)

Further, some experts suggest that the child care infrastructure is underresourced. This may contribute to a proliferation of mediocre services in the marketplace. Like other so-called "public goods" such as education, some economists claim the market cannot ad-

equately represent the full value and cost of quality child care services. A growing number of states are recognizing that child care providers may be inadequately reimbursed in general, which can affect the supply and quality of care provided to low-income children. In 1998, more than half the states made progress by increasing reimbursement rates for some or all providers of state-subsidized care. Some examples follow.

- *Illinois'* new child care subsidy will increase rates for some providers by as much as 46 percent.
- *Indiana* raised rates for licensed centers and family child care homes.
- *Mississippi* raised rates by $5 weekly for full-time licensed centers.
- *New Jersey* raised rates by 10 percent for all programs and allowed an additional 5 percent for accredited centers.
- *Oregon* raised rates by 3 percent.
- *Tennessee* raised weekly rates for children under age 2 by $9 and for older children by $7.
- *Utah* raised rates across the board and established a tiered reimbursement system based on accreditation.
- *Washington* increased all rates by 5 percent and set higher rates or bonuses for selected care (infants or off-hour care).
- *West Virginia* raised rates for center, family child care, school-age, and family group care and established premium rates for accredited care.[6]

Despite such progress, some states still struggle to bring reimbursement rates to the levels recommended by the federal Child Care Bureau. (See page 33 for more details.)

Do Rates Reflect the Current Market?

Child Care and the Market: Paying More for Less?

According to the 1995 Cost, Quality and Child Outcomes in Child Care Settings multi-state study, low provider salaries help keep parent fees lower—at about 50 percent of actual costs.[7] On the other hand, low wages are likely contribute to the high turnover rates—43 percent and 58 percent for teachers and assistant teachers, respectively.[8] Other research confirms the notion that low teacher salaries are contributing to turnover. Researchers found that teacher salaries have actually declined since the 1970s and that child-to-staff ratios worsened during the same period. The reduction in these research-based indicators of quality—compensation and child-to-staff ratios—occurred despite substantial increases in parental fees. The implication is that parents may now be paying more and getting less for their money than in the past.

Source: Sandra L. Hofferth, "Child Care in the United States Today," *The Future of Children: Financing Child Care* 6, no. 2 (Los Altos, Calif: The Center for the Future of Children, The David and Lucile Packard Foundation, Summer/Fall, 1996), 56.

An issue for policymakers who are interested in setting fair rates is assuring that the survey data used actually reflect the current market. Many states use market survey data that are too old to adequately reflect current provider costs. Recently, for example, *North Carolina* updated its market survey—as required by the federal law every two years—but failed to adjust rates accordingly.[9] In fact, a 1998 report by the Children's Defense Fund (CDF) indicated that 16 states were basing rates on surveys that were more than two years old. Of these, three set rates based on surveys that were five to seven years old.[10] New federal regulations require updated market surveys within at least two years of the state's current plan for federal fund-

ing. Even with this requirement, a 1999 CDF report found that only 20 states plan to update their market surveys.[11]

Setting rates at current prevailing rates makes a substantial difference to the viability of many child care facilities, particularly those with large numbers of subsidized children. Personnel costs are the largest single cost in a child care center's budget. Moreover, profit margins are typically low, averaging around 4 percent in one multi-state study of child care centers. This compares to a 9 percent corporate profit on revenue in other sectors nationwide.[12] In other words, there is not much leeway in a typical child care center budget.

Reimbursement rates that force providers to cut staff or reduce wages may diminish the overall quality of care because staffing levels and compensation have been associated with quality in the research. Several state legislatures have embarked on efforts to assure up-to-date market data. Some examples are listed below.

- *Ohio* lawmakers recently required the use of annual market surveys.
- *Connecticut* legislators approved an annual rate review process to ensure equal access.
- *Rhode Island* legislators recently incorporated federal regulations into state statute by requiring market surveys every two years. The state also recently embarked on a three-year initiative to increase reimbursement rates to licensed providers who care for subsidized children. The effort is aimed at increasing subsidized rates to levels that are more competitive with local market rates by July 1999.[13]

Does a Market-Based System Provide Sufficient Access to Quality, Enriched Programs for Low-Income Children?

In addition to assuring up-to-date market data, state legislators also may want to consider how overall reimbursement policy affects access to quality care for low-income children. To reflect the varieties of the market, states often distinguish rates by elements that affect costs. These elements include type of care, age of the child, and geographic area. Typically, however, states do not pay the rates charged by all providers of a specific type of care in a given market; instead they may choose to cover costs for only a percentage of the market.

Since federal requirements to pay at the 75th percentile were lifted, many state reimbursement levels have fallen below this benchmark, although some states paid less than the 75th percentile before the new act. In 1998, the U.S. Department of Health and Human Services' Inspector General's Office reported that 29 states do not set a rate ceiling at 75 percent of local market rates.[14] New federal regulations set 75th percentile as a benchmark for states, but did not make it a requirement. Rules specify that states establishing payment rates at that level are presumed to meet the congressional mandate for equal access.[15]

The Children's Defense Fund recently reported that only 18 states set rates—using current market surveys—that would enable parents to afford services offered by three-quarters of local providers.[16] Assuming that the upper 25 percent of providers offers the

highest quality programs, setting reimbursement at the 75th percentile or below may interfere with state goals of providing enriched programs for children from low-income families who are the most likely to benefit from them in the long term.[17] Another concern regarding access is to assure that the state copayment system does not steer families to only the cheapest forms of care.

California policymakers have intentionally focused on quality care for low-income families by retaining relatively high reimbursement rates–in part by allowing wide parent choice. Payments to non-contract child care providers are directly related to the market. Parents can choose almost all care available in a community and receive full reimbursement at the rate the provider charges private clients. Only extraordinarily costly services in a county would be ruled out. California lawmakers also have developed a policy to promote good quality care for low-income families through the state's contract system. Contract providers are reimbursed at a negotiated rate, usually about $23 per day for a full-time young child. Providers must meet other quality standards to get a state contract (see box). Direct contracts avoid the processing costs of vouchers or certificates, which are estimated to add 10 percent to 15 percent to California's cost of care. Although California policymakers focus on quality, some suggest that the trade-off for the state is the number of families that can be served. Higher rates paid mean fewer children served overall.[18]

California's Contract System

About half of California's federal and state child care funds are reserved for direct contracts with providers located in low-income communities. These centers must meet the same basic health and safety standards required of all licensed centers. In addition, state contract providers must achieve higher standards than basic licensing. These include:

- Better child-to-staff ratios;
- Stricter child development education and training requirements;
- Stronger curriculum requirements;
- Provision of support services for children and families; and
- More extensive state monitoring and review than regular health and safety inspections.

The state reimburses contract centers at about $23 per day for full-time care for children over age 2. Supporting programs in low-income communities helps promote access for poor children. Further, providers prefer a contract system because it helps stabilize costs and is easier to administer than numerous parent vouchers. Also, these centers become stable neighborhood institutions.

Source: Jack Hailey, California Office of Senate Research, April 12, 1999, fax communication.

North Carolina's reimbursement system uses the 75th percentile as a benchmark for access to care for low-income families. Market rates are calculated at the 75th percentile for each county for each age group and type of care (centers and regulated homes). In addition, a statewide market rate is applied in counties where there are not at least 75 children in an age group. Historically, payment rates were established for child care centers based upon the number of subsidized children they served. This allowed centers to receive the rate they charged private paying parents when less than half the children enrolled received subsidies. This payment option encourages centers to serve children who receive subsidies and increases the options available to parents.

Effective October 1999, licensed centers and homes will receive the county market rate or the rate charged to private paying parents, whichever is lower. Centers who have been receiving a rate higher than the market rate will be held harmless for a period of three years. Unlicensed homes receive only 50 percent of the county market rate or the rate they charge private paying parents, whichever is lower.

In April 1999, North Carolina implemented a rated license system to further differentiate providers who meet higher standards of quality. The new system expands the state's licensing levels from two tiers (A and AA) to five tiers (one through five stars). North Carolina is revising its reimbursement system to encourage providers to achieve the higher

star ratings. Effective October 1999, eligible providers will receive a higher payment rate per child per month. The additional differentials for quality levels will be as follows:

- One-star providers are reimbursed at the current market rate;
- Two-star providers receive an additional $14 per child per month;
- Three-star providers receive $17;
- Four-star providers receive $20; and
- Five-star providers receive $23.

In addition, the legislature encouraged local Smart Start partnerships to fund further increases in these supplemental payments, in recognition of the actual costs providers incur in delivering higher levels of care.[19]

Tiered Reimbursement Systems: Purchasing Quality Care

A substantial body of research now indicates that the quality of child care across the United States is barely adequate for a large proportion of children. The emergence of tiered reimbursement systems is an innovation designed to use the public sector funding system to facilitate providers' voluntary efforts to upgrade the quality of their services. It recognizes that traditional reimbursement systems typically provide no incentives for providers—most of whom operate on minimal budgets—to invest in improving their services.

In addition, a well-designed rating system can provide objective information about child care quality that can be used to guide government contracting decisions and consumer choices. (See page 28 for more information about consumer benefits.) Traditional reimbursement systems provide little information about the quality of care the government is purchasing. Further, some experts suggest that the long-term payoffs may be greater for public sector investment in quality services, compared to continuing incremental increases for all programs regardless of their quality.

At least 19 states authorize variable rate structures that offer providers higher reimbursement for better quality services.[20] Some states have required development of state quality of care standards—such as national accreditation—and authorized higher payments to providers who meet the higher standards.

Simply put, tiered reimbursement systems provide higher rates for child care providers who achieve more advanced standards of quality. Payment levels serve as fiscal incentives for providers to move through the tiers to upgrade their programs. To date, the number of payment tiers in variable rate systems ranges from two to six, but most states offer two. *New Mexico, North Carolina, Oklahoma,* and *South Carolina* provide for more than two levels of reimbursement. Some tiered systems are based on accreditation or equivalent standards, some are based on regulatory requirements, and several blend the two approaches. Under tiered systems, licensing standards often are used to identify the lowest level of service acceptable for public funding. In *Wisconsin,* however, certification—a less stringent standard than licensing—is used as the minimum requirement for providers to receive public child care funds. According to 1996 legislation, regularly certified providers receive a higher rate (75 percent of the licensed market rate) if they have 15 or more hours of training. Provisional certification requires no training and these providers receive only half the market rate. Of states with tiered systems, most (17) use accreditation status for

Educare: A Different Approach to Purchasing Quality Child Care

Economic models can be used to predict how much additional investment is needed to purchase certain levels of quality. In Colorado, economists have been working with child care advocates to estimate the supplemental investments needed to improve quality in the state child care system. Educare–a broad-based group of Colorado employers, government, and philanthropic representatives; providers; parents; public officials; child advocates; and members of the religious community-is tackling the issue of how to fully fund quality early education, including child care, in the state. The initiative is starting with four pilot counties-Denver, Clear Creek, Gilpin, and Jefferson.

In Denver, Educare is partnering with the city initially to upgrade seven child care centers that serve poor neighborhoods and more than 500 children. Educare will establish standards for the centers; Denver is earmarking funds for the next three years to close the wage gap between what workers should make and what they are paid. Educare also will provide training and technical and other assistance to the centers to improve programming. The city is spending $4.3 million during the next three years to close the wage gap, while Educare's contribution of $1.2 million focuses on child care infrastructure improvements.

A cornerstone of the plan is an effort to fully fund a system of quality care. A study of the state child care system found that the quality of care was mediocre for 83 percent of Colorado children. The cost of increasing quality to stimulating levels in Colorado was estimated to increase current costs by roughly $3,000 per child, or $300 million annually. Educare is developing a partnership among parents, government and the private sector to meet the additional costs.

A tiered reimbursement structure is central to the Denver initiative. Educare has developed a one- to four-star system to rate programs based on four levels of program quality. The levels include continuum ratings in four areas: parental involvement, teacher training/credentials, classroom environment, and accreditation status. Annual rates for programs will vary from $5,100 per child for a one-star program to $8,000 for a four-star program. Program advocates believe that the $3,000 differential will serve as a substantial incentive for programs to increase their quality. The three-year program will be evaluated for its outcomes in improving quality. The quality enhancement costs were estimated by economists using a methodology to cost out the necessary outlays for increasing adult-to-child ratios, staff education, and pay–all indicators of quality in the child care research. Compensation is estimated at what the child care worker could command in other positions in the market based on background, gender, education, age, ethnicity and locale, or about $5,000 in increased pay for workers in Denver.

Increasing public and private investment are among major priorities for Educare–although not the only approach–in its initiative to increase the quality of child care. The other major components of the Educare plan include:

- A parent/public engagement campaign about quality child care;
- A four-star, voluntary rating system for providers;
- Technical and other quality enhancement assistance for providers; and
- An accountability and evaluation system for outcomes in enhancing quality care.[22]

the highest reimbursement levels. In *North Carolina*, a five-tier license system includes differential reimbursement payments that are based on the number of points a program earns. Points are assigned for child-to-staff ratios, environmental ratings for a range of age groups, staff education standards, history of complying with regulations, and other factors related to quality.[21] (see pages 34-35 for more details).

In shaping a tiered system, experts suggest a number of factors for policymakers to consider. Chief among these are the ease of implementation and administration. It is important that policymakers set rate differentials adequate to serve as real fiscal incentives for providers to move up through the ranks. In addition, it is critical that the performance standards used to distinguish levels should be based on indicators that have been associated with quality in the research. Finally, an accountability system can help assure that programs deliver the level of quality for which they are reimbursed. To date, states are still exploring the best ways to measure–accurately and relatively simply–the different levels of quality in their child care programs.

Higher Rates for Accredited Programs

Currently, most states with tiered systems pay higher rates for accredited programs. As discussed in more detail in chapter three, accreditation standards cover a wider range of child care components than state regulation and are voluntary systems developed by professionals in the field. Accreditation is an attractive option to states that are developing tiered systems because the infrastructure to implement the level-system already is in place. This simplifies administration and minimizes state start-up and implementation costs. Some state examples follow.

- In 1998, the *Nebraska* Legislature authorized a higher state payment for providers who meet national accreditation standards.
- In *Minnesota*, accredited providers can be paid up to 10 percent above the maximum established in the rate survey for a particular area.

- Providers in *Kentucky* can receive an additional $1 per day per child if they are accredited by either the National Association for the Education of Young Children or the National Association for Family Child Care.

- The *Vermont* Legislature added $2 million to increase the reimbursement differential for accreditation from a 3 percent to 15 percent.[23]

Florida has recognized quality indicators in child care programs since 1996 legislation established the state's Gold Seal program. Initially, the Florida program was not tied to reimbursement. It was designed to officially recognize providers who voluntarily achieve accreditation. A primary purpose of the program was to educate parents about programs that had achieved higher standards. (See page 28 for information about Gold Seal and other state quality standards.) In 1998, the Legislature authorized a variable payment system based on the Gold Seal level system to allow Gold Seal accredited programs to qualify for a 20 percent differential above the market rate (75th percentile), and capped payment at the rate charged to parents who pay privately (without a subsidy). Because this system created no incentive for Gold Seal providers whose private rates were lower than or equal to the market rate, the Legislature in 1999 made significant changes. When the private rate is higher than the market rate, the new law authorizes Gold Seal providers to be paid at 20 percent above market rate or the actual private rate, whichever is higher. In cases where the market rate is higher than the private rate, the state will pay Gold Seal providers 20 percent above the private rate.[26]

Wisconsin's Experience

In Wisconsin, a variable rate system was established in 1997 as part of the state's extensive welfare reform initiative. A hallmark of the reform was the establishment of strict work requirements for welfare recipients. Reformers and child care advocates recognized that child care was a critical component in achieving the ambitious work goals. An estimated additional 120,000 slots for child care were needed to accommodate the 65,000 welfare families that were required to enter the work force. At the same time, it was estimated that about two-thirds of the care currently provided was in the so-called informal or "underground" market that was exempt from regulation. This caused concern among advocates about the quality of care that would be available to welfare families. Policymakers established a variable rate structure to provide fiscal incentives to encourage the "underground" providers to voluntarily participate in the regulated system.[24] Under the program, centers and family child care providers that become accredited receive a differential of up to 10 percent above the market rate. Incentive payments, however, cannot exceed the price charged to private-paying families. The Legislature also created a variable rate structure in 1995 for two levels of certified child care provider. Child care providers must be certified or licensed to receive public funds, and rates for certified providers vary depending on staff training.[25]

The Wisconsin Quality Child Care Initiative provides additional support for providers to improve quality. The state developed a set of "High-Quality Standards" and helps programs to meet them through multi-year grants. The grants pay for staff training, substitute time, improved compensation, equipment and accreditation fees. In addition, on-site technical assistance, a statewide information clearinghouse, an early childhood credentialing system that assesses the adequacy of training and identifies training resources, and mentor teacher training are provided under the initiative.[27]

Using other Criteria for Higher Rates

Including additional standards important to a state or local community—such as the proportion of credentialed staff or Head Start and other performance standards for preschool—is also an option in distinguishing higher paid service levels in variable rate systems. Because staff training levels are closely associated in the research with quality, measures of staff training or other indicators of quality—such as staff-child ratios—also are reasonable options to consider when establishing variable rate structures. Some examples are provided below.

- A family child care provider in *Minnesota* is eligible for the 10 percent additional rate adjustment if the provider holds a current early childhood development credential approved by the state.

- *South Carolina* offers additional reimbursement to enhanced providers. These Level 2 providers must meet higher staff training standards and more stringent child-to-staff ratios than are required in basic licensing. Level 3—the highest payment level—is

reserved for providers who are accredited by a national accrediting association. For infants and toddlers, enhanced providers receive an extra $8 per week and accredited providers receive an extra $10 per week.[28]

Combining Accreditation and Licensing Quality Standards

Several states have developed tiered systems that offer providers more than one avenue to demonstrate higher quality standards of care. Most frequently, these tiered systems recognize levels of licensing, credentialing and accreditation achievements. Some examples follow.

- *Mississippi* has a three-tiered reimbursement system that links rates directly with the quality of care. Rates differ by category of care, age of the child, and the additional costs of providing care for children with special needs. Tier II programs are paid at the 75th percentile for weekly rates and serve as the basis for determining other rates. Tier II providers may be either licensed child care centers or regulated family child care providers. A Tier I payment level—10 percent above the Tier II base—is reserved for licensed centers that are NAEYC-accredited or that employ one or more early childhood professionals who hold a director's credential. Statewide, more than 250 credentialed directors have completed a 130-hour comprehensive curriculum program and another 250 directors currently are taking the course. Tier III rates-half the Tier II rates-are given to providers who register with the state.[29]

- *Oklahoma's* Reach for the Stars program funds and ranks programs according to a three-tiered system. In the lowest level, programs meet basic licensing standards. Middle designations indicate programs where practitioners meet additional licensing requirements. Highest level programs achieve national accreditation.[30] (See box at left for more program details.)

★ Oklahoma "Reaches For The Stars" ★

Oklahoma's three-star program applies to both centers and family child care programs. Providers can achieve one-, two- or three-star designations and differential reimbursement based on the following criteria.

★ One Star

Centers or family child care homes must meet minimum licensing standards.

★★ Two Stars

Centers must be in substantial compliance with minimum licensing standards, and directors must complete 40 hours of training in administration. By the year 2000, directors will be expected to obtain a director's credential. For every 30 children, a master teacher with a child care credential, a two- or four-year degree in early childhood education, or a college degree with 12 credit hours in early childhood education is required. Salary scales must recognize increments based on level of education, credential, training and experience. Additional criteria cover staff training, the environment, parent involvement and program evaluation.

Family Homes must be in substantial compliance with minimum licensing standards, and providers must complete 20 hours of training annually and meet the same qualifications as master teachers. Homes also must provide for parent involvement and program evaluation.

★★★ Three Stars

Centers and homes must meet all the applicable two-star criteria plus accreditation from either NAEYC's National Academy of Early Childhood Programs or the Council on Accreditation (for centers) or the National Association of Family Child Care (for homes).

Source: Sheri Azer, "States Tie Quality Levels to Reimbursement Rates," 3-4; Sherrill Pallotta, Oklahoma Office of Child Care, June 16, 1999, fax communication.

Evaluating Policy

To date, the actual effect of variable reimbursement and ranking approaches has yet to be measured. Researchers at Georgetown University's Public Policy Institute have embarked on a research project to study the effect of variable reimbursement systems, as well as ranking systems that are not tied to remuneration. Among the outcomes to be measured is whether provider applications for accreditation increase in states that offer higher rates based on accreditation status. Researchers also hope to compare results of nonmonetary vs. monetary ranking systems and the relative effects of higher or lower differential amounts in variable reimbursement systems. Preliminary results are expected in 1999.[31] To test this promising approach in their own states,

policymakers may want to consider closely tracking the outcomes of tiered reimbursement systems.

New Mexico's AIM HIGH

New Mexico recently implemented a program to provide training and technical assistance along a continuum of five levels to child care providers to help them move up through the quality ranks. Programs at levels three, four and five receive a higher reimbursement for their services than providers at lower levels. Assistance is available from specialized staff to work with providers at the following levels.

- *Level One–Program and Operation*
  Providers clarify and document program mission and purpose, and have administrative policies and procedures, personnel position descriptions, a parent handbook or improve filing or record keeping.

- *Level Two–Curriculum and Environment*
  Technical assistance support on this level can include help in clarifying the program's philosophy and documenting curriculum, developing lesson plans, and/or modifying the classroom and outdoor environments to serve children better.

- *Level Three–Director and Staff Training and Qualifications*
  Assistance for the director and staff to attend workshops and other training such as the National Child Care Association's (NCCA) Director Credential Course.

- *Level Four–Ratios and Group Size*
  Providers must maintain stricter child-to-staff ratios and group sizes than required at the lower designations.

- *Level Five–National Accreditation*
  Programs can receive help to obtain accreditation from the National Association for the Education of Young Children (NAEYC), the National Early Childhood Program Accreditation Commission (NECPA), the National Association of Family Child Care (NAFCC) or the National School-Age Care Alliance (NSACA).

Source: New Mexico Office of Child Development, Aim High; Child Care Program Development Pilot, 1999.

5. Comprehensive Services

Many families have multiple, complicated needs, and child care programs generally are not funded to address them. As the need for child care grows, families with young children face unprecedented levels of stress, including community violence and crime, domestic violence, child abuse and neglect, teenage pregnancy, health threats such as HIV/AIDS, lack of adequate nutrition and health care, family conflict and divorce. For many young children, biological and environmental factors pose dangers to their development. The convergence of multiple problems place children at risk for future delinquency, poor school performance and limited likelihood of employment.[1] This chapter examines ways that state policymakers can improve child care and early education programs by enhancing them with other health and social services that can help families address some of these concerns. Such comprehensive services can improve the overall early childhood experience by addressing the range of important issues that affect young children.

As mentioned in earlier chapters, recent brain research shows that all infants and young children need ongoing protection, stimulation and care to ensure their growth and development. Maternal and child health, nutrition, skilled parenting, safe and stimulating environments, and effective early caregivers contribute to sound brain development. Indeed, the early years "... provide a moment when a door opens, and the future seems within reach."[2] Child care programs are a logical place to address some of these issues, but they typically are not funded to do so. Across the country, legislators and other policymakers are turning to a range of federal and state programs to establish structures and funding mechanisms to connect child care and prekindergarten to other children and family services.

Longitudinal studies show that early intervention can contribute to child well-being and help prevent later problems. However, not all child care or early childhood programs achieve better outcomes. Key to the success of early intervention are breadth and quality of services, as well as attention to both family and child.[3] An increasing body of research demonstrates that child care and early education programs that provide lasting benefits to children at risk include:

- Parent-staff partnerships that feature parental involvement in the classroom or with teachers,
- Services for families such as frequent, ongoing home visiting, and
- Health, safety, and nutrition components.[4]

Programs that combine good child care with services for parents are most effective, and the strength of each component is critical.[5] To counteract multiple risk factors, high-quality child care programs help children and families gain access to a broad range of supports and services. These comprehensive child care programs demonstrate that addressing the health and social services needs of children and their families can lead to better quality and have long-term positive outcomes.

This chapter examines four key areas that states are integrating with child care and early education programs.

- Comprehensive prekindergarten and connections with Head Start and schools;
- Family support and parenting programs;
- Health care services for children in early childhood settings; and
- Local mobilization and decision-making.

The Current Response: Opportunities and Challenges for State Legislatures

State legislatures have a crucial role in ensuring that child care programs provide the necessary scope, linkages with other services, and family involvement to have lasting benefits. As they monitor state government operations and spending, legislators are ideally positioned to direct service systems toward coordinated, integrated interventions for young children. Unprecedented recent attention of researchers and the public provide new awareness regarding the importance of investing in early childhood development and coordinating existing resources for the lasting benefit of young children. It is an opportunity to which many legislatures are responding.

At the same time, dissatisfaction with existing human service systems is fueling a search for new approaches by a growing number of legislatures. Many categorical programs and funding streams have been created—often in isolation—to address issues and needs that are closely related. Typically, each program focuses on particular problems and has its own eligibility requirements and set of regulations. The result can be a confusing array of independent, uncoordinated efforts that often compete for scarce resources, overlap or duplicate services, and fail to address important needs. Conflicting participation and eligibility requirements can burden and bewilder providers and clients. Discontinuities and inconsistencies in services disrupt the lives of children and parents, and programs compete for some clients while neglecting others.[6]

In a search for more comprehensive and holistic approaches to early childhood and other human services, legislatures are considering ways to ensure that:

- Services are responsive to the strengths and needs of children, families and communities;
- Limited public resources are invested effectively and used efficiently;

- New partnerships are created with more active engagement of consumers, businesses, the private sector and community groups;
- Improved bottom-line outcomes in child and family well-being are achieved; and
- Accountability for use of public resources is enhanced.[7]

Comprehensive Prekindergarten Programs: Opportunities for Better Quality

To improve outcomes for children, state legislatures are encouraging linkages among programs and services and promoting comprehensive initiatives that integrate resources. Lawmakers are looking at early child development broadly and comprehensively and considering a range of issues that affect child well-being, including health, nutrition, safety, emotional and behavioral health, cognitive growth, and economic well-being. To take advantage of existing resources, initiatives span bureaucratic programs, academic disciplines, and even legislative committees. Because of the limitations of the subsidized child care market, children who receive such services rarely have access to comprehensive resources that can enhance their experiences. This reality has led some state policymakers to examine other approaches, such as coordinating child care with other systems to link services or investing in more comprehensive programs, such as Head Start or state prekindergarten programs.

Promoting Comprehensive Preschool Program Models

Head Start

Head Start is a 30-year-old federal prekindergarten program for children ages 3 to 5 who are poor or have disabilities. The program now serves more than 800,000 children and is funded at $4.66 billion for FY 1999. Originally delivered as half-day, classroom-based services available during the school year, about 30 percent of Head Start programs now provide full-day care.[8] Others link half-day participants with full-time child care services. Delivered through a network of community-based nonprofit organizations and school systems, programs must provide education, health care (including medical, dental, nutritional, and mental health services), social services, home visiting, and parental involvement. Positive child and family outcomes that have been documented for Head Start participants include school success, parent employment, better access to services, and improved ability to cope with violence.[9]

Several factors make Head Start a natural place for states to coordinate a range of health and social services. All programs must meet national performance standards that require linkages with other resources.[10] Thirteen states provide supplemental funding for Head Start. In addition, the U.S. Head Start Bureau is working with all 50 states to create a visible, collaborative presence at the state level to promote multi-agency and public-private partnerships. The federal bureau funds a liaison in every state to enhance access to comprehensive services for all low-income children and to augment Head Start's capacity to be a partner in state initiatives.[11] For example, the collaborative initiative is working to improve child care quality by providing Head Start staff with access to additional resources such as consultation with mental health experts.

State Prekindergarten Programs

State prekindergarten programs are funded by 37 states to help children enter school ready to learn. Traditionally, these have been classroom-based, educationally focused, half-day programs modeled after Head Start. In recent years, however, many of these programs have expanded beyond half-day and are based on models other than Head Start. State programs vary in size, funding, provision and components. They sometimes address the child's nutritional, health, dental and mental health needs, and many have a parental involvement component. The number of children served varies from a few hundred per state to more than 40,000 per state in *California, Georgia, Illinois, New York* and *Texas*. State investment ranges from $1 million annually to more than $200 million. Seven states limit their prekindergarten funding to public schools, while 30 states provide funds to other entities such as Head Start providers, child care agencies, and community-based organizations, either directly or through contracts with a local public school district. Only 10 states limit eligibility to specific family income levels, and five of these states restrict participation to children at or below 100 percent of the federal poverty level.[13] Nearly all states, however, target their prekindergarten services to low-income families, even as states are showing increased interest in providing voluntary preschool universally. A handful of states–such as *Georgia* and *Oklahoma*–have provided for all 4-year-olds to participate in prekindergarten programs if their parents want them to, regardless of family income.

Connecticut's School Readiness Grants

In 1997, the Connecticut General Assembly created a school readiness grant program; it appropriated $87 million for the first two years and $40 million for the third year. The legislation pools state resources and coordinates local service delivery. Local school readiness councils, jointly convened by mayors and school superintendents, include representatives from child care programs, Head Start, other provider groups, churches and parents. The councils have developed and implemented plans to provide full-day early care and education to 3- and 4-year-olds from families who earn 75 percent or less of the state median income. The initiative targeted 14 priority school districts and other districts in need. Providers–which may include education agencies, family resource centers, child care providers, preschools and Head Start agencies–must become accredited by the National Association for the Education of Young Children. The Department of Education and the Department of Social Services jointly review and approve local plans and hold councils accountable for implementation, monitoring and decision making. An evaluation is planned to assess school readiness and monitor local programs.[12]

Head Start and other prekindergarten programs that have demonstrated good long-term outcomes in children and families usually include comprehensive services, such as health care services, parental involvement and families' access to other key social services, such as parent education and homevisiting.[14] Although state prekindergarten programs can require state funds and time to coordinate the involvement of schools, community organizations, and child care providers, the initiatives offer an opportunity to maintain control of program performance and accountability, promote local flexibility, and support school-based decisionmaking. As discussed in chapter 3, states use a variety of standards for their preschool programs, including Head Start performance standards, state standards or accreditation. A growing number of state prekindergarten and school readiness initiative programs require local program planning and implementation by collaborative community groups, including *Connecticut*'s School Readiness Grant Program, *Massachusetts'* Community Partnerships, *Minnesota*'s Learning Readiness Grants, *Virginia*'s prekindergarten initiative, and *Washington's* Early Childhood Education and Assistance Program.

Innovative Preschool Funding Approaches

Some states are drawing on unique sources of revenue for their prekindergarten programs. Innovative funding strategies for preschool programs include *Georgia's* use of $211 in state lottery funds, *Missouri's* policy to direct riverboat gambling fees to preschools and *Colorado's*

consolidated child care initiative. The Colorado law allows 12 pilot counties to pool their child care and preschool funds for locally designed purposes, including full-day, full-year services for children from birth to age 6. Pilot counties must consolidate preschool, child care subsidies and Head Start programs for preschool services. Legislation requires that participating counties particularly target families in welfare-related work activities. A recent assessment of this initiative showed that communities have had positive results in the areas of collaboration, consolidated funding and quality. The state will continue to evaluate the initiative and is expanding it to 18 counties. The legislature added $470,000 in federal child care funds for FY 2000.[15]

Coordinating Prekindergarten, Head Start and Child Care

At least a dozen states have comprehensively coordinated their preschool and child care systems, usually including Head Start. As a result, states have found a range of positive outcomes, such as better quality services, increased access to early childhood services, more funding, more comprehensive services, continuity of care, and flexibility. States also coordinate their prekindergarten programs with Head Start to maximize services and, in some cases, improve the quality of state preschool programs through Head Start performance standards or state standards based on Head Start.

Massachusetts Community Partnerships

The Massachusetts Community Partnerships for Children program provides high-quality, comprehensive early care and education for preschool children through a collaborative network of programs in a community or group of communities. The program has both increased the number of children in early childhood programs and improved the quality and comprehensiveness of programs. Comprehensive services include social services, health and dental care, parent education and family literacy. Children of working families that earn less than 100 percent of the state median income may receive subsidies to attend public school, Head Start, child care or family child care programs for full- or part-day programs, according to the needs of the children and their parents.

A public school district, Head Start or licensed child care agency may serve as the lead agency to administer the program with the oversight of a community partnership council. Each council conducts a needs assessment, develops a plan for allocating funds that meets the goals of the program, and oversees implementation of the plan. The goal is to create a system of early care and education in the community. The collaboration has reduced duplication of services and has expanded supports for children who are ineligible for direct services through the program.

The council consists of parents and providers representing public schools, Head Start, child care centers and family child care, as well as other community members. All programs serving children must meet the required standards of their own oversight agencies and seek accreditation by the NAEYC. Family child care providers must seek the child development associate degree or become accredited by the NAFCC. Funds from the grant may be used for accreditation fees, materials and supplies, and professional development that are needed to attain accreditation. Largely due to the program, Massachusetts has the largest number of accredited programs in the nation.

Through this collaborative model, Massachusetts has steadily increased the number of children who attend high-quality early care and education programs. The program, which served about 4,000 children in FY 1995, served 18,100 children in FY 1999. The Commonwealth funded the program with $79.5 million for FY 1999. Nearly all the state's cities and towns now participate in the program.[16]

With increased national and state emphasis on moving welfare recipients and low-income families into jobs, states also are focusing on coordinating Head Start with publicly-funded child care services. State policymakers recognize the value of coordinating these two programs, which serve similar populations of children. By using Head Start performance standards with other state early childhood programs such as prekindergarten and child care, states can facilitate more comprehensive services and parental involvement. At the same time, child care subsidies can help extend Head Start's half-day into a full-day program, which supports working families' needs.

Ohio spends a sizable amount of state money for both Head Start and a state preschool program, an approach that finances services for all eligible children whose families want them. Several years ago, legislators earmarked $6 million to help programs provide full-day, full-year services for families that were receiving welfare. This money was folded into the state's Head Start budget for 1998-99. The state departments of education and human services and the Head Start-Ohio Collaboration Project identified at least five specific models (later consolidated to three models) for collaboration be-

tween child care, Head Start, and other early childhood care and education programs that have been implemented locally. Because of Ohio's substantial Head Start and preschool commitment, this coordination is especially important. FY 1999 state funding for these two programs exceeded $100 million and serves 99 percent of eligible families who want preschool for their children. Legislators have increased the amount for the next two fiscal years.[17] Several states, including Ohio, mix children funded by Head Start in classes with children funded by state preschool funds, so they can receive the same good quality services.

Engaging Schools

Schools have an especially strong role in coordinated, comprehensive approaches to child care and early education. School buildings, expertise and funding are valuable resources for the young children and families within a community. Professionals in local education agencies and individual schools increasingly recognize that these institutions benefit by ensuring that children enter school ready to learn and that they have a stake in joining with neighborhood partners to make facilities and other resources available for family support services and comprehensive child care programs. Many schools are becoming a focal point for positive child, family and neighborhood activities that strengthen the family-community-school partnership.

Local education agencies often provide state-funded preschool, school readiness programs, literacy training and family support services. Seven states provide prekindergarten funding exclusively to public schools, and most other states allow schools to administer prekindergarten programs.[18] Many states provide funding directly to school districts to provide or administer comprehensive early childhood services that require collaboration with other local resources. For example, *Minnesota's* $10 million learning readiness grants are provided to school districts to implement a continuum of locally designed developmental and other services for children from ages 3 1/2 to 5. Programs must include a comprehensive program coordination plan, health referrals, a nutrition component, parent involvement, community outreach, and community-based staff and program resources.[19]

At the state level, laws or rules require education departments to collaborate with social services, employment training and health agencies to ensure comprehensive services for young children and their families. *Kentucky's* $38 million prekindergarten program requires strong collaboration between state education and human service agencies. *Connecticut's* $20 million School Readiness Program is jointly administered by the Department of Education and the Department of Social Services, and both agencies review and approve local plans and oversee local councils.[20]

Early Head Start-Services for Infants and Toddlers

The federal government recently created Early Head Start to provide comprehensive support and services-such as voluntary home visiting-to low-income families with children under age 3 and to pregnant women. Like Head Start, funding flows from the federal government directly to local communities. With $279 million in federal funding, the program is growing rapidly, and now includes more than 170 projects. Local programs address child and family development, community building and staff enrichment. In

1998, the *Minnesota* Legislature appropriated $1 million for competitive grants to local Head Start agencies to support full-year programming for infants and toddlers.

Ohio legislators appropriated $12 million for Early Start in the FY 1996-97 budget and $19.7 million for the 1998-99 biennium. In addition, Ohio set aside $28 million in Temporary Assistance for Needy Families (TANF) funds for FY 1999. Similar amounts are included in the state's 2000-01 budget.[21] Participation in Ohio's Early Start program helps parents meet work requirements, and families diverted from TANF also may use the services.

Oklahoma also used TANF funds to expand Early Head Start. In 1998, the *Kansas* Legislature and governor approved a state-federal partnership to fund early childhood development services through Early Head Start. Using CCDBG and $5 million in TANF funds, the state administers 13 programs serving 26 counties to provide full-day, full-year care to more than 500 children. Through partnerships with existing early childhood providers, the Early Head Start program provides continuous, comprehensive child development and family support services, including health, nutrition, mental health, early childhood education, parent involvement and child care. The program places a priority on training, education and professional development for child care providers who serve infants and toddlers.[22]

Connecting Child Care with Family Support

The benefits of high-quality child care programs can be capitalized by including or coordinating with family support services. Rather than a particular service or program, family support is an approach to working with families that helps them cope with the stresses of daily life, gives parents new information and ideas about child development, reduces parents' isolation, and links families with other social services and supports. Family support has developed through a largely grassroots movement, growing from the concerns, interests and needs of families themselves. For this reason, the services are designed to complement other resources in the community and are richly diverse in setting, format and emphasis. Typically, they offer some combination of parent education classes or meetings, support groups, job training, literacy tutoring, screenings, information and referral, family activities, advocacy, crisis intervention, family counseling, and child care. Home visitors, school-based centers, or professionals in other neighborhood facilities may provide services. The mission of the family support movement is to respond to all families, but many programs focus on families with young children.[24]

Benefits of Family Support

Emerging research into family support initiatives indicates positive outcomes for both children and their parents, with specific results varying according to the goals of the services. Evaluations of early intervention programs that use home visitors show increased immunization rates, higher levels of stimulation of children by their families, and fewer confirmed cases of child abuse and neglect. A 15-year study of 400 pregnant women participating in a home visiting program in semi-rural New York revealed less reliance on public assistance, fewer behavioral problems due to the use of alcohol and other drugs, fewer arrests, and fewer verified cases of child abuse and neglect. An evaluation of Parents As Teachers (a parenting education program that includes in-home sessions, screenings and referrals) showed that parents improved their coping skills, knowledge of child development, and communication with their children. Children performed above national norms and the majority of children with developmental delays overcame them by age 3. Maryland family support centers that target pregnant and parenting teens reduced the likelihood of repeat pregnancies, led to educational advances for participating mothers, and enhanced family stability.[23]

Family support programs can provide an effective way to reach entire families. Because an essential ingredient of family support is partnership and respect for all families, the services are especially well received by those who feel threatened or alienated by tradi-

tional service approaches. Family resource centers provide a single access point for families to obtain co-located services, information about community resources, and referrals to outside professionals or services. School-based services take advantage of neighborhood school facilities, especially during times when regular classes are not in session, and can help reach teen parents who are completing high school. In-home services provide support for new parents and outreach for those who might otherwise be isolated from the community.

Family support is another way to support child care through a comprehensive approach. Although many family support programs are unique to the neighborhoods where they develop, statewide programs have advanced with funding from the federal Family Preservation and Family Support Program, state financial contributions, and use of TANF funds. Twenty-five states report statewide, comprehensive family support or parent education programs. In 1998, at least six states—*Ohio, Massachusetts, Michigan, Minnesota, Vermont* and *West Virginia*—appropriated funds for development or expansion of home visiting programs or family resource centers.[25] Other states support community development of family support services, including integration with child care. Legislatures have included family support provisions in state-local devolution legislation, health care initiatives, education reform acts, literacy initiatives and welfare-to-work plans, as well as early childhood care and education bills.

Promoting Linkages with Health Care

Like family support programs, child care settings are good places to coordinate and provide health services for young children and their parents. Access to health care has a range of benefits, including lower mortality and morbidity, fewer visits to specialists, less use of emergency room care, and lower hospitalization rates. The recent research on brain development reinforces the need for prenatal care, good nutrition, and preventive health care such as immunizations. Studies indicate that prenatal exposure to alcohol, tobacco and drugs has harmful consequences and that lack of health care during a child's early years can result in developmental delays and disabilities. In addition, early health care has cost benefits. For example, a recent Centers for Disease Control and Prevention report found that spending money on health screenings and other services can prevent costly chronic diseases and other health problems. Several studies have revealed that each $1 spent on immunizations saves $10 in later medical expenses.[27]

Using Parent-Child Centers as Focal Points for Comprehensive Services

Neighborhood parent-child centers throughout Vermont provide support to families with children of all ages with a special focus on families with young children. Core services include child care, home visiting, play groups, crisis intervention, information and referral to other services, parent education, drop-in services, and community development work. Communities design their centers to fit local needs and resources and use them to pull together services for young children and families. Centers serve as hubs for efforts to mobilize community involvement and often feature co-located resources. In Vermont, the centers closely coordinate with the state-initiated, community-designed Success By Six initiative, a package of comprehensive services to ensure that children are ready for school. In addition, parent-child centers often have a role in the state's welfare-to-work plan, which includes incentives for participation in parent education programs along with child care and Medicaid coverage.

Vermont's use of results-based planning and accountability statewide and within individual school districts helps to connect state agencies, community providers, and an array of developmental resources throughout the life of each child and family in a common focus on achieving better outcomes for citizens.[26]

Early childhood programs can benefit children's physical health by:

- Requiring that children be properly immunized and making immunizations accessible and affordable;

- Conducting vision, hearing and developmental screenings;
- Serving nutritious meals;
- Providing safe, healthy environments;
- Educating parents regarding nutrition, safety and other preventive health care; and
- Linking children and parents to health care services.

State and federal policymakers alike are focusing on the health of young children. The Children's Health Insurance Program (CHIP), created in 1997, provides $20 billion in federal funds over five years to assist states to cover uninsured children. In 1996, the U.S. Child Care Bureau and the U.S. Maternal and Child Health Bureau began the Healthy Child Care Campaign, which includes seed grants to states to use as a catalyst for enhancing the health of children in the context of child care.

West Virginia's Comprehensive Connections

A strong coalition of West Virginia service providers and community organizations, aided by the Governor's Cabinet on Children and Families and funding from the Legislature, are pursuing a comprehensive strategy to link welfare reform, family support and comprehensive early childhood services. Starting Points Family Resource Centers–comprehensive early childhood centers in 18 counties–are service access sites that provide child development, health, nutrition, parenting, family support, and case management services. The centers, developed with small federal and foundation seed grants, now are approved by the legislature for long-term funding. Members of the state's Family Resource Networks-community coalitions working to improve services for children and families-inform families and the community about the new welfare system, get feedback about how to implement and improve it, and serve as sponsors for community service placements or work experience. Cross-agency training for providers focuses on coordinating the welfare program and family-centered practices. Public agencies, providers and community organizations are working to coordinate services for families that are participating in both TANF and Head Start. To receive cash grants and support services, individual TANF recipients must comply with terms of their personal responsibility contracts, which include steps to enhance their children's well being (such as immunizations and health exams).[28]

Policymakers may want to consider encouraging child care programs to link with several key federal health and food programs for young children and their families, including:

- The Child and Adult Care Food Program (CACFP), which helps pay for meals for children in child care centers and family day care homes;
- Women, Infants, and Children program (WIC), which provides health and nutrition services and has been proven to prevent low birth weight, anemia, and other childhood problems; and
- The Summer Food Service Program, which provides lunches and other meals to children in low-income areas when school food programs are not available.[29]

Some states are taking creative steps to connect child care and health care. The *California* Child Care Health Program focuses on bringing knowledge about health and safety issues to child care providers through health care consultants in child care programs in a few counties, training, and a "healthline" phone number that helps link the child care and health communities. A proposed 1999 bill would fund a health consultant for child care in each county to assure linkages with health services. The program currently provides mental health services in three pilot counties through on-site consultations using existing mental health funding streams. The goal of the *Connecticut* Health Systems Development in Child Care Program is to provide health consultation to every child care center, develop a data base of all health consultants and encourage them to network with one another, and build child care providers' capacity to offer families information about Medicaid. The *Missouri* Department of Health is leading an effort to provide consultation and

technical assistance to home and center-based child care providers by pooling funds from three federal programs. *North Carolina* is creating a statewide system for child care health consultation. Two state health and social service agencies are working with the state pediatric society and the state Partnership for Children to recruit local pediatricians who can advise and consult with child care providers. Through this process, providers and pediatricians recruit and train health department nurses who will serve as child care consultants and establish a resource center to provide technical support to both child care providers and health consultants. In *Washington*, several resource and referral initiatives promote health linkages and consumer education, including a system that tracks child immunizations for providers, a Medicaid outreach program to inform parents about services, and a grant program for families with children who have special needs.[30]

Connecting Children, Families and Child Care Providers with Mental Health Services

Although the importance of health care for young children and their families has long been recognized, the need to connect them with mental health resources has become known only more recently. Again, brain research points to the negative effect of prolonged stress on cognitive development, and today's families face unprecedented strain. Head Start staff report that young children are showing more evidence of stress and that significant numbers exhibit withdrawn, aggressive or "out of control" behaviors, often challenging staff and disrupting the classroom. In turn, many Head Start staff report difficulties dealing with the needs of participating children and families and with challenging situations in their own lives. High turnover rates of child care staff partly reflect the tension they experience.[31]

Mental health services for children, families and child care staff can enhance child care programs, and these preventive services may be key to maintaining an effective early childhood program. Experts maintain that there is no single way to provide mental health services in an early childhood setting. Key linkages to address include the unique structure, mission, personnel, budget and style of every child care program and group of mental health providers. A handful of states are developing approaches to address the extreme stresses that affect some parents of young children. Head Start performance standards, which have long required health care components within each program, now include new standards that emphasize the importance of having a mental health consultant on-site frequently.

Michigan's Infant Mental Health Program makes parenting education, family support, counseling, and other services available to families with infants at risk of developing mental health problems. Community mental health agencies in 55 counties provide services primarily through home visits. Hospitals, public health nurses, and other service providers refer parents if their conditions might impair infants' attachment and development or if children are at risk of abuse or neglect. Programs usually are funded as part of the Medicaid capitation rate established by state contracts with local community mental health service programs.

A *Nevada* program used $2 million in combined state and federal funds for the 1997-98 biennium to provide family supportive mental health and developmental services for young children. The initiative targets children up to age 6 who have developmental,

behavioral or emotional needs by providing mental health consultation and support to child care providers and others who offer core services to families.

A newly created *Colorado* pilot project increases mental health services for children up to age 8 with special emphasis on infants and toddlers. The target population is children with physical disabilities who have experienced violence, whose parents have been incarcerated, or whose parents have mental illness. The two pilot communities have selected local Head Start and child care centers as partners. Early childhood mental health specialists work on-site to provide consultation and work directly with children. In granting a $680,000 appropriation for the pilot projects, the legislature was clear that continued funding would be contingent upon the services' effectiveness in reducing out-of-home placements and spending for child welfare services.[33]

North Carolina Forms State-Local Early Childhood Partnerships

In 1993, the North Carolina General Assembly and governor approved Smart Start to make high-quality early care and education services available to all children under age 6. Starting with 12 counties, local partnerships have formed to develop comprehensive, long-range strategic plans for early childhood development and to provide high-quality services for children and families. Legislation enacted in 1997 expanded Smart Start to all 100 counties and increased funding in 1998 to $157 million for FY 1999; and the legislature provided expansion funding to bring the total program budget to $216 in FY 2000.[32]

The North Carolina Partnership for Children, a public-private corporation, provides state-level leadership for Smart Start. Its board of directors has 25 members, including child care and early education providers, parents, chairs of local boards, and representatives of the business, health care and philanthropic communities. Legislative leaders and the governor appoint members.

The partnership sets statewide benchmarks for young children and families, and is responsible for developing and implementing a plan to ensure fiscal integrity and accountability of state funds. With the Department of Health and Human Services, it authorizes grants to local partnerships and may adjust allocations on the basis of counties' success in achieving outcomes goals and objectives.

Similar public-private entities at the local level formulate comprehensive, collaborative, long-range plans and oversee development and implementation of local services. The local partnership board of directors must include representatives of county and city government agencies, local education entities, private nonprofit health and human service agencies, child care providers, the business community, and families.

Since its beginning, Smart Start has served more than 150,000 children, including child care subsidies for 60,000 children. Non-subsidy direct services funds provide a variety of resources determined by communities. Primary areas include child care quality, parent education and literacy, teacher education and support, health and nutrition, resource and referral, administration and evaluation, and community outreach and awareness. An independent performance study in 1997 found that Smart Start had increased the overall quality of child care in North Carolina. Other improvements in child care include credentials for teachers, increased parent education about child health, and more early preventative child health screenings.[35]

Empowering Communities

Another legislative trend is interest in forging new state-local partnerships that share human service decision making with communities. Based in part on the belief that many decisions regarding child and family outcomes, resource needs and service delivery can best be made at the local level, devolution initiatives give communities greater flexibility in program design and funding. Recent initiatives redefine the state-local balance by giving greater authority, flexibility and accountability to communities through "decategorized" or pooled funding, waivers from regulations, or new types of local governance.[34]

Despite successful local child care initiatives, some states are finding that local authority over child care decisions can result in other concerns. Because counties or other local jurisdictions in a state may have lower income eligibility standards and reimbursement rates for child care assistance than other counties, families may experience inequities. In addition, local governments may use their authority to preclude important early childhood quality standards that could be in the state's interest.

At the same time, early childhood leaders and advocates are calling for "community mobilization." According to the National Association for the Education of Young Children and Families and Work Institute, community mobilization involves engaging diverse local stakeholders, including parents, to design an agenda or implement a previously set

agenda for change.[36] New types of local governance entities that include public-private partnerships, training and technical assistance can help strengthen the capacity of communities to establish and achieve improved outcomes for children and families.

Together, these two movements—devolving decision making from the top down and mobilizing citizens from the bottom up—have powerful potential for reform. Many communities have a local council or group—that consists of public agencies and, sometimes, providers—that works to coordinate early childhood services. At least a dozen states are expanding the authority, resources and flexibility of local coordinating councils to give them greater decisionmaking roles.[37] At the same time, community governance entities are developing stronger grassroots connections by expanding their membership to include parents, citizens and neighborhood organizations. Providing local jurisdictions with authority and resources while helping community members gain the capacity to make effective decisions is one way that legislatures can facilitate locally designed, comprehensive early childhood services. In some states, funding to local and community child care services can attract other support systems, and policymakers often find that bringing more stakeholders into the decisionmaking process helps hold all participants accountable.

It is imperative for several reasons that policymakers closely examine policies that result from new types of state-local partnerships. First, it is important to include key community members, such as early childhood professionals, businesses, other civic leaders and parents. Second, states have great interest in maintaining and improving quality services at the local level. Third, funding and state support is critical to local and community efforts. Legislators are well positioned to ensure a balance of local involvement and statewide equity, so that communities have flexibility and that children throughout the state have access to quality services. They have both an overview of the state as a whole and of the communities they represent. Through their oversight role, legislatures can hold communities accountable for achieving child care and early childhood education goals (see the North Carolina box on page 50).

When devolving early childhood decisionmaking authority to local entities, state legislatures also may want to include state-level oversight as part of an accountability structure

Empowering Iowa Families and Communities: A Continuing Effort

Iowa legislators are building on past reforms while taking advantage of new findings regarding the benefits of early childhood intervention. Goals of 1998 community empowerment legislation are to promote local decision making, remove barriers to collaboration, and produce better outcomes for children and families.

Iowa's Decategorization Initiative has long been regarded as a national model for human services financing flexibility. For 10 years, the state has allowed counties or groups of counties to blend child welfare funding and redirect the money to services that are preventive, family-centered, and community-based. A local board-that includes at a minimum the human services agency, county government, and juvenile court-makes decisions about how the money should be spent. This initiative has gradually expanded until all counties but one now participate.

In 1996, the General Assembly took another step by creating Innovation Zones. Legislation enabled local jurisdictions to establish more inclusive community partnerships to redirect existing public funds toward improved outcomes for children and families. The state and local jurisdictions worked to negotiate new relationships to decategorize funding and share the risk and responsibility for achieving improved outcomes.

Community empowerment areas created by the 1998 legislation further builds on decategorization and innovation zones. A citizen-dominated state board was formed to identify state outcomes for children and families, designate community empowerment areas, and distribute $5 million in annual school-readiness grants along with TANF child care funds. Community empowerment areas select broad-based local boards with citizen majorities to lead local assessment and planning for young children and their families. Legislative intent gives communities enormous flexibility in service design and funding strategies and encourages local jurisdictions to build on or incorporate decategorization and innovation zone efforts. The law directs state agencies to provide technical assistance and support to the state board and communities. Legislators see the initiative as another step in building local capacity and state-local partnerships that will lead to even greater community and citizen involvement in human service decision making. They also intend for the focus of community empowerment areas on young children and their families to gradually expand to all Iowa citizens.

In 1999, Iowa legislation expanded the funding for community empowerment so that well over half the state's population will have a state-funded initiative. In addition, the legislation outlined an initial set of desired results and established a process for communities to modify and expand it.[38]

and process. Child care administration in *Texas* is handled by 28 local work force development boards in each community that decide how public funds are spent. Decisions include income eligibility standards, reimbursement rates, and improving the quality of services. Because the local board decisions have a major effect on child care funding and quality, it is important for policymakers to closely examine the composition of similar boards to ensure that important voices are included. In Texas, concerns have been raised about the lack of early childhood representation-such as providers and advocates-on the boards. Because of the work force emphasis, a majority of some boards are comprised of business and industry officials. In addition, some observers note that the state can help educate board members and provide funding and technical assistance.[39] For example, Texas boards now administer a child care data computer system that formerly was operated by the state. Technical expertise and information sharing could help local management of the system.

Georgia Aims for Results for Children and Families

In response to Georgia's 1991 ranking as 48th in the nation on Kids Count measures of child well-being, a state-local partnership selected demonstration communities to focus on improving results for at-risk children. The collaborative that created Family Connection pilot programs included community leaders; a local foundation; the departments of Education, Human Resources, Juvenile Justice, and Medical Assistance; the Office of School Readiness; and the Governor's Office of Planning and Budgeting. In 1995, the General Assembly passed legislation creating the Georgia Policy Council for Children and Families; it directed the council to define the core results to be achieved by state agencies and communities.

Using a participatory process that included members of the legislature, the private sector, public agencies and communities, the council adopted five broad goals for children and families:

- Healthy children
- Children ready for school
- Children succeeding in school
- Strong families
- Self-sufficient families

To measure success in these five areas, the council adopted 26 benchmarks that set priorities and serve as yardsticks for tracking progress. Benchmarks that guide planners, administrators and providers of child care and early childhood education services include:

- Increase affordable, accessible, quality child care,
- Increase the percentage of kindergarten students who attended preschool or child care programs,
- Increase the percentage of low-income students in Head Start or prekindergarten programs,
- Increase the percentage of students passing the Georgia Kindergarten Assessment Program,
- Increase parental involvement,
- Increase the percentage of children appropriately immunized by age 2,
- Reduce the percentage of children who have untreated vision, hearing or health problems at school entry,
- Reduce the incidence of confirmed child abuse and neglect.

In addition to creating a focus on results, the 1995 legislation encouraged the creation of public-private community partnerships to develop and implement comprehensive local plans for achieving results. The legislation requires that the increasing numbers of participating communities identify and achieve a core set of local objectives and coordinate services and assistance to achieve results. For communities and the early childhood service system, the results and benchmarks help clarify responsibilities and opportunities for improving child well-being beyond narrowly defined programmatic requirements.[40] By 1999, Georgia's well-being ranking had increased to 42nd in the nation.[41]

Focusing on Results

Recent system reform efforts often focus on desired results for children and their families, rather than on individual programs and procedures. The first step of results-based planning is broad-based dialogue that helps a community or state clearly articulate the desired outcomes-such as healthy children and children ready to enter school-for its citizens. Far-reaching results then serve as a framework for planning, implementing and tracking services. The results also provide direction for coordinating services and for integrating resources. The message to state and local agencies, public and private partners, and community organizations is that working together can help achieve mutual goals. The effect can be increased ownership of child and family problems and greater investment in solutions.

Rather than monitoring program procedures and units of service, the legislative role focuses on directing state agencies and communities toward desired outcomes, removing policy obstacles, and tracking progress. Some state and local policymakers are beginning to design new types of results-based budgeting and accountability systems that provide guidance, flexibility and incentives for results. As many as 24 states report results-based

planning and accountability initiatives for children and families or broader efforts that include early childhood services.[42]

Building On: Making the Most of Resources and Potential

Attributes of high-quality child care include intensive services that involve and support families while connecting children and parents with resources they need for their overall well-being and development. Categorical programs and funding streams, as well as bureaucratic rules and structures can present barriers to coordinating and integrating services. However, recent state and local efforts are encouraging new partnerships to achieve better results for young children and their families. They are taking advantage of the child care setting as a community focal point for coordinating and integrating services. State policymakers are using a "building on" approach that recognizes and maximizes connections between initiatives. Welfare changes, school reform, health care initiatives, state-local devolution efforts, and other initiatives offer potential for linking with child care services. Legislatures are using these opportunities to enrich child care services and to enhance child and family well-being.

At the same time that coordinated, integrated child care policies and programs move young children toward better lives, they can serve as building blocks for broader reform. Many view early childhood services as an ideal starting point for constructing a more effective human service system. The benefits of prevention and early intervention and the cost savings of high-quality services can help to shift systems toward more effective ways of working together toward common goals. The results of combined, comprehensive early childhood efforts may well provide leverage for broad, long-term benefits for citizens.

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